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THE BENEFICIARY FEATURES OF AMERICAN TRADE UNIONS.

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A Dissertation

submitted to the Board of University Studies of the Johns Hopkins University in conformity with the requirements for the degree of Doctor of Philosophy.

1907.

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TABLE OF CONTENTS.

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Chapter I. Introduction.

Chapter II. Insurance in American Trade Unions.

Chapter III. Death and Disability Benefits.

Chapter IV. Sick Benefits.

Chapter V. Out-of-Work Benefits.

Chapter VI. Administration.

Preface.

This monograph had its origin in the investigations of American trade union activities that have engaged the attention of the Economic Seminary of the Johns Hopkins University since October, 1902. It was begun and completed while the author was a graduate student of the University. The study is based on a survey of the beneficiary activities of national and international trade unions. While no attempt has been made to study in detail the various benefits maintained by local trade unions frequent references are made to them inasmuch as the local benefits have usually an important genetic connection with the national. The sources from which information has been secured are the trade union publications in the Johns Hopkins University collection and important documents at the headquarters of different unions. These have been supplemented by personal interviews with prominent union officials and labor leaders.

The author wishes to acknowledge the assistance received, at every stage of the work, from Professor Jacob H. Hollander and Associate Professor George E. Barnett, of the Department of Political Economy of the Johns Hopkins University.

J.B.K.

Baltimore, Maryland, 1907.

Chapter I.

Introduction.

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During the past quarter century the benevolent systems among American trade unions have risen rapidly in relative importance to the protective departments (1) until at present they are of prominent economic concern to the oldest and most highly developed American industrial organizations. The protective function has from the outset been considered primary, the benevolent secondary. In many trades the task of organizing a continent for protective purposes was so great that the unions had little courage to extend their functions beyond the protective side.

The uneducated laboring man conceived unionism as a protective principle, seized upon this principle as the direct end of organization, and hesitated to associate therewith the benevolent function as an important aid to protection. Consequently in many unions, as the Typographical Union, the Cigar Makers' Union, the Iron Molders' Union, the Order of Railway Conductors, many years elapsed between the founding of national protective organizations and the insti-

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(1) The protective department of a trade union, as understood in this study, includes all functions of organized labor used to advance collective bargaining, and should be distinguished from the benevolent department, a subdivision of the former, designed as an aid in furthering the ends of organization.

tution of national benefit systems. And yet these two steps were synchronous in many leading unions, with a possibility of priority of the beneficiary idea in some. The Granite-Cutters' Union, the Brotherhood of Painters, the Brotherhood of Locomotive Firemen, the Metal Polishers' Union, and the Wood Workers' Union incorporated benefit laws in their first national constitutions. While in a large majority benefits of different kinds were paid in the local unions before national organizations were founded. And further the Brotherhood of Locomotive Firemen was first organized as a benevolent association and did not assume a protective policy until twelve years later;[1] the Order of Railway Conductors in the first call to American Railway Conductors for a national organization urged the protection of themselves and their families in case of sickness, accident, or death as the primary need of a comprehensive organization;[2] and the International Typographical Union in some of the larger cities maintained associations primarily for beneficiary purposes during the early part of the nineteenth century and at the time of effecting a national union undoubtedly considered the benevolent feature a primary factor in the organization.

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(1) Locomotive Firemen's Magazine, Vol. 14, p. 998.
(2) Proceedings of the Conductors, 1868-1888 (Cedar Rapids, 1888), p. 13.

Despite this close relation between the benevolent and the protective ideas among trade union men, it is impossible to measure the extent one factor or the other entered as the primary purpose of organization. Nor can it be determined definitely in what way the beneficiary element was a prime mover for national organization. It is evident, however, that in some unions the benefit features did enter originally as a cause for national organization, but not to the degree they do at present.

By national systems are meant those operated under the direct control and supervision of the national unions. In this system, all benefits are paid from national funds, either in immediate possession of national officials or in the hands of subordinate unions directly subject to the order of national officials. National benefits may vary from the payment of insurance or a merely nominal death or disability benefit to a system comprehensive enough to include also protection against sickness and unemployment. Local benefits are those under the jurisdiction of the subordinate unions. For the most part, the railway unions pay insurance from the national treasuries and forbid the local unions to enter this field, but at the same time authorize or permit them to pay sick and other benefits. However, a large class of unions that pay only funeral benefits from the national

treasury provide that the subordinate unions may maintain systems of sick benefits. Regulations of this kind are intended to prevent conflict of jurisdiction between national and local authorities.

The national unions that pay benefits may be divided into three classes according to their relations with the local unions. In the first class are those unions that pay insurance against death and disability.(1) The railway unions and the National Association of Letter Carriers belong to this group. These unions reserve the exclusive right and authority to issue insurance against death and disability, but permit the local organizations to pay weekly benefits. In the second group are those unions that pay death, sick, and out-of-work benefits from their national treasuries, but prohibit the local unions from paying a similar benefit. The unions that have patterned after the Cigar Makers' Union belong to this group. The chief of these are the Deutsch-Amerikanischen Typographia,(2) the Iron-Molders' Union, the Journeymen Plumbers' Association, and the Piano & Organ Workers' Union. In the last place, a large group of unions pay

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(1) Namely: Order of Railway Conductors, Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen, Brotherhood of Railroad Trainmen, Order of Railroad Telegraphers, Switchmen's Union, and Brotherhood of Maintenance-of-Way Employees.

(2) Permits local unions to pay out-of-work benefits only.

death or funeral benefits and at the same time encourage the local unions to pay weekly benefits. The principal unions of this character are the Typographical Union, the Brotherhood of Carpenters and Joiners, the Brotherhood of Painters, and the Amalgamated Wood Workers' Union.

Two plans have been adopted in developing trade methods of providing pro-union beneficiary departments. One of these is a system of insurance, the other - for the lack of a better name - is termed a system of benefits. By the term "insurance" is meant that protection guaranteed by the unions to their members against death and total or permanent disability. Under the conditions of admittance the organizations issue to the applicant an insurance certificate specifying the amount of insurance carried and the conditions of payment. This certificate constitutes a contract between the union and the member insured. It is made payable to some heir vested with insurable interest and must be surrendered before payment thereon is made. This system of benefits is found for the most part among those unions whose members receive a salary sufficient to warrant them in carrying insurance.

By the term "benefit" is meant an allowance paid in the shape of funeral expenses or a weekly payment in case of sickness or unemployment. In this case there is no written

contract between the union and the member. By its constitution, however, the union obligates itself to pay to all members in good standing specified amounts, and the member, by subscribing to the constitution and by paying weekly or monthly dues to his union, secures for himself the right of receipt of the benefit so specified. In this case the advertised constitution of the union is the contract between insurer and insured, and so far as fulfilment of contract is concerned the member is equally secure as if he held a written contract with his union. The majority of American trade unions belong to this class. It consists of those unions whose members receive a wage for their hire, the amount of which is small and the investment members can make as protection for themselves and their families is small in proportion. The benefits paid are, therefore, nominal as compared with the amount paid by those unions maintaining insurance systems.

The history of trade unions forcibly emphasizes the relative importance of the several benefits and their place as factors in advancing union principles. From the outset protection of "widow and orphans" has been a chief factor in shaping the legislation that has given one benefit precedence over another. Consequently throughout American unions the several benefits have been introduced and developed in order

of their greatest need and usefulness. This order is protection against death or disability, aid in time of sickness, and relief during unemployment. Protection against death or disability has aimed at furnishing a partial substitute for the loss of the bread-earning member of the family; hence, in those unions that pay both death and disability insurance, the two are placed on a parity. However, the majority of unions do not include disability insurance, but offer protection against death only. Relief during sickness is the second benefit in order of prominence. This benefit had its origin among local unions prior to that of the death benefit, but as a national feature it has occupied a subordinate place. Many unions, therefore, have intrusted its operation entirely to the subordinate unions and have reserved death and disability exclusively for the national body. Last in importance is the out-of-work benefit. At least the fewest number of unions has found it necessary to inaugurate this benefit. To a less degree, it may be said, has it been necessary to supplement, while unemployed, the wages of the principal income-earning member of the family. Consequently the benefit has been accorded least in importance among trade union benefits. Its influence as a factor in strengthening union forces, as urged by the Cigar-Makers' Union, has received comparatively little attention. The

death benefit, however, has been pushed to the front and in that class of unions that maintain insurance, pure and simple, certificates of insurance are being issued and claims paid comparable to those of any life or accident insurance company. Each trade has been forced to supply its members with sufficient insurance against death and total disability at such rates as will protect them against the extra charges demanded by old line companies.

Development of the beneficiary departments of American trade unions shows two principal aims. One is immediate, the other remote. In the first place the originators of the beneficiary idea planned for immediate relief to the union man and those dependent upon him, and secondly, the ultimate aim is to increase the membership of the union and thereby add permanent strength to the union's power as a factor in collective bargaining. The chief factor in the first has always been an immediate payment of a sum of money to the widow and orphans of the deceased member, or the granting of weekly allowances to individual members during sickness or unemployment; while the second phase has taken the form of a result of the combined influences of the different elements that constitute relief.

Protection of the union man and his interests has always been a cardinal principle in trade union rules. Sys-

tems of benefits have evolved as one of the most effective methods of attaining this end. Immediate pecuniary relief has been a basic principle in every system. This relief has taken three principal forms: insurance or a funeral benefit in case of death or disability, assistance during sickness, and relief while unemployed. All of these originated in voluntary giving, but at present, the majority of the unions maintain compulsory systems. And yet the systems of compulsory benefits are founded upon the most economical principles - considering the interests of the individual the primary aim. This has been evidenced by the form and the condition of the aid. In the first place, labor unions are the only organizations that pay an out-of-work benefit to unemployed members. Furthermore, they are the only organizations that do not require a physical examination to entitle its members to sick allowance, or to a death or a disability benefit. This latter principle, however, applies only to those unions that pay the so-called death or funeral benefits. The unions that pay insurance subject the applicants to physical examinations equally as rigid as those required by old tine companies.

The out-of-work benefit best illustrates the principle involved in trade union relief. As Professor Sidgwick

says,[1] the out-of-work benefit is considerably less than the minimum wage earned by an ordinary worker in the trade. Hence, any increase in the annual wages secured by a union, if admission to the trade were practically unrestricted, would probably be diminished in two ways: partly by the increased contribution per member necessary to secure effectively against lack of employment, and partly by the increased number of days each workman on the average would have to content himself with out-of-work pay. Thus the out-of-work benefit cannot be considered a substitute for the wages the member would receive were he employed, but, on the other hand, has always been intended simply as an aid to bridge over periods of unemployment.

All relief does not come from the national organizations. Hundreds of thousands of dollars are paid out annually by the subordinate unions independent of all national jurisdiction, and their function in this respect should not by any means be too greatly minimized. This fact was very forcibly demonstrated in Chicago during the severe season of 1893-1894, when the report of the chairman of relief work for the city showed that not a "single member of a trade union in that city applied for aid to the city or to the charity or philanthropic organizations at a time when thous-

(1) Principles of Political Economy", (New York, 1901), p. 548.

ands of honest workmen had to be helped by one or the other of these agencies".[1] This represents remarkable activity on the part of subordinate unions when we consider the fact that very few American unions pay a national out-of-work benefit.

The second purpose of trade union benefits is to increase the membership of the unions and to widen their influence in collective bargaining. Many trade union leaders in America testify to the power of well organized benefits in promoting union principles. In the first place, successful systems of benefits prevent sharp and sudden declinations in membership during industrial disturbances. During the panic of 1893-1897 many labor unions suffered considerable decline in members. The Typographical Union declined about ten per cent., the Brotherhood of Carpenters about fifty per cent., while the Cigar-Makers with a full system of benefits lost less than one and one-half per cent. The Typographical Union attributed its loss to the combined effect of the industrial depression and the introduction of the linotype machine.[2] President Prescott maintained that

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(1) Bemis, Bulletin of the Department of Labor, May, 1899, (Washington, 1899), p. 400.
(2) Proceedings of the Forty-third Session of the International Typographical Union, Report of Sec't-Treas. (Indianapolis, 1896), p. .

during 1893-1897 American trade unionists were fully impressed with the fact that only those unions with comprehensive beneficial systems with which to pay the neccessary benefits were able to sustain fully the inroads made by serious industrial disturbances.(1) President Perkins of the Cigar-Makers' Union says that the Cigar-Makers did not lose in membership and did not suffer to any extent in reduction in wages, and further, that only the unions that maintained complete chains of benefits, including the out-of-work plan, escaped without considerable shrinkage in membership and a corresponding reduction in wages.(2) These results substantiate the statement of Mr. Adolph Strasser when he says, "The most powerful unions are those whose members pay the highest dues and receive strike, out-of-work, travelling, sick, and death benefits.(3)

Another important element towards strengthening the national union is a strong treasury. A surplus reserve is best maintained by the aid of beneficiary departments. Many regard this as the only safe-guard against attacks from the opposition; and, as President Tobin of the Boot & Shoe Work-

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(1) Proceedings of the Forty-fourth Session of the International Typographical Union, pp. 14-15. (Supplement to the Journal, November 15, 1898, Indianapolis).
(2) Cigar-Makers' Journal, Vol. 26, September, 1901, (Chicago, n.d.).
(3) In "The Salt Lake Herald," 1895.

ers' Union says, a strong treasury supported by sick, death and out-of-work benefits is not only a protection from the attacks of an enemy but a check on the tendency of a large per cent. of the members to withdraw after each victory or defeat.(1) And, furthermore, there is nothing, says President Perkins, "better calculated to inspire respect and confidence in a trade union and to insure its stability than a substantial chain of benefits, backed by an ample reserve fund."(2)

After more than a half-century of experience many unions have failed to inaugurate benefit systems because of their liability to educate the member-at-large and to force him to grasp the full significance of the benefits so successfully operated by the older and more experienced unions. Nothing is truer to-day and to no organizations more than to trade unions is a principle more applicable than the statement made by Professor Bemis in 1899. He, in part, said, "With organizations, as with individuals, age is necessary for the development of sound judgment and discrete action. Those unions have shown greatest strength that have developed benefit features, joined to reserve

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(1) Painters' Journal, Vol. 18, p. 215.
(2) Cigar-Makers' Proceedings of the Twenty-first Session, September, 1896. (In Cigar-Makers' Journal, Vol. 22, No. 1.).

funds and wise management. The converse of the proposition is equally true, that it is the longest-lived and strongest unions that have most developed these features".(1) The purpose of the younger unions is practically the same as that of the older ones, but it has been carried out with less success since they have not been subjected to the same tests as the older unions experienced. No union should expect the best results from its system of benefits within a few years. Nor can it depend upon the benefits alone to work out the desired changes. Follow developments in the Cigar-Makers' Union. After more than thirty-five years from date of organization and ten years under its full system of benefits the President was able to report that the average longevity of the members had increased six years and that of the members' wives had increased eight years.(2) Not due, it is thought, to the effects of benefits alone, but to the combined influence of an eight-hour day and the system of benefits. Other organizations cannot expect similar results in a day, but must allow the means applied to develope as time demands.

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(1) Bulletin of Department of Labor, May, 1899, (Washington, 1899), p. 361.
(2) Cigar-Makers' Journal, Vol. 26, September, 1901, p. 9.

Chapter II.

INSURANCE IN AMERICAN TRADE UNIONS.

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Insurance among American trade unions as now operated constitutes a separate and distinct chapter in the history and the development of the present systems of benefits. Because of the character of the protection furnished through these insurance departments, the extent to which support has been guaranteed to the members and those dependent upon them has necessarily been limited. The difficulties with which insurance systems have been inaugurated have had their origin in the nature of the protection guaranteed and the amount of the benefit the unions have determined to provide. For the most part insurance is offered against both loss of life and total or permanent disability from following a specific trade. Consequently, the classes of unions that have inaugurated systems of insurance have been restricted to those whose membership consists of salaried men as opposed to wage earners. Union men who have a guaranteed salary possess more or less means with which to pay high dues or premium rates, and naturally form a more definite basis upon which to found an organization by which insurance comparable to that furnished by old line companies can be offered. So far the insurance feature is

limited to a very few unions, though many others, as the Cigar-Makers, the Iron Molders, the Typographical Union, have made unsuccessful attempts to inaugurate some form of insurance. At present what may technically be called insurance, in which the unions issue insurance certificates as written contracts and a guarantee to the insured or his designated beneficiary a certain fixed sum in case of permanent disability or at death, is confined to the organizations of railway employes and the National Association of Letter Carriers.

The principal railway unions, numbering seven in all, constitute the great body of union men that share in trade union insurance. To these the National Association of Letter Carriers must be added as the eighth American Union to maintain a system of insurance. It is apparent that this small group of labor organizations are not typical labor unions and that from the nature of their occupations they form in some sense an exclusive body. The fact, that they are a body of employes whose intellectual status and industrial efficiency are of great social consequence, has necessarily put them in a position of general public concern. The public interests are to such an extent dependent upon the character of the service rendered by this body of em-

ployes that whatever has to do with advancing his efficiency as employes or promoting the general welfare of themselves and those dependent upon them has become of prime social importance.

At present the railway employes alone of the United States number more than 1,000,000 persons, and upon them the maintenance of not less than one-sixteenth of the entire population depends. Over 300,000 of these employes are organized in unions which from their beginning have made beneficiary features, in the form of insurance against death and disability, a chief concern. The railway employe has a choice of several forms of insurance organizations - ordinary insurance companies, the associations maintained by the railroads, and finally those organized and managed entirely by the railway employes themselves. The distinctive characteristics of the last class are (a) that their membership is composed solely or chiefly of employes performing one kind of railway service - as engineers, conductors, or firemen - and (b) that they do not limit membership to the employes of a single railroad system. The railway unions whose insurance features are discussed in this chapter are the oldest and most highly developed organizations among the railway employes of North America:

the Grand Brotherhood of Locomotive Engineers, the Order of Railway Conductors, the Brotherhood of Locomotive Firemen, the Brotherhood of Railroad Trainmen, the Order of Railroad Telegraphers, the Switchmen's Union of North America, and the International Brotherhood of Maintenance-of-Way Employes. The National Association of Letter Carriers of more recent organization, falls far short of the typical railway union in point of a thoroughly organized body; and yet the Benefit Association is comparable to the beneficiary departments of the railway unions.

The oldest of these railway organizations, the Engineers, was formed at Detroit, August 17th, 1863, as the "Brotherhood of the Footboard," and was reorganized at Indianapolis, Ind., August 17, 1864, under the present name. Under the original constitution, firemen and machinists, as well as engineers were admitted; but since February 23, 1864, membership has been restricted to locomotive engineers.(1) The Brotherhood was prosperous from the outset, and at the twenty-first convention in 1884, Grand Chief Arthur reported 258 subordinate divisions with 16,000 members; and at the sixth biennial session in May, 1904, Grand Chief Stone reported 652 divisions with 46,400 members.

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(1) Brotherhood of Locomotive Engineers' Journal, February, 1867.

The Brotherhood of Locomotive Engineers is not only the oldest of the railway unions, but was the first to institute national beneficiary features. Three years after its organization, in September, 1866, the grand division levied an assessment to raise a fund for "widows, and orphans and totally disabled members." The law was unsatisfactory, and few subordinate divisions paid the assessments prior to the Cincinnati convention of October, 1867. The convention ordered all assessments paid at once, and on December 2, 1867, $1212.40 was paid over to the chairman of the board of trustees. This was the nucleus of a fund which reached $10,787.63 on March 1, 1871. On account of charges of mismanagement and the slow growth of the fund, repeated efforts were made to repeal the "fund" law, but without success. At the Nashville convention of 1870, a committee appointed to consider the disposition of the fund at the expiration of the five years, recommended that the entire sum be paid back to the subordinate divisions. The grand chief engineer opposed this use of the fund, which he regarded as the Brotherhood's "strongest pillar".(1)

Before the expiration of the five-year period, however on December 3, 1867, the Brotherhood founded an insurance

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Ib., Vol. 5, p. 294.

association.[1] On March 13, 1869, the secretary-treasurer reported: number of members admitted during 1868, 2426; amount of claims paid, $31,920; average amount of each claim, $1520.09; cost per member, $19. At Baltimore on October 21, 1869, by-laws were adopted providing for assessments of $1 per member for each death, and 50c. for each case of total disability,[2] and at the annual convention of 1871, President Sherman reported that for the three and one-half years of the life of the association there had been eighty-six deaths and eighty-eight assessments, aggregating $196,358.50, an average of $2257. The highest amount paid on any one claim was $3278.

The industrial depression of the seventies decreased the membership, but with the revival of trade an increase set in. Since January 1, 1890, insurance has been compulsory upon all members of the Brotherhood under fifty years of age. On January, 1890, the association numbered about 8000, and on January 1, 1897, it had reached about 18,000. During the twenty-five years of voluntary insurance $3,122,669.61 was paid in death and disability benefits, and at the close of 1896 this total had been increased to $5,771,214.61. Ten years later, December 31, 1906, the

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(1) Ib., Vol. 3, p. 232.
(2) Ib., Vol. 4, p. 31.

membership had grown to 49328 with $97,799,500 insurance in force, and the total aggregate paid in death and disability claims had reached $10,323,181.60.

The next organization of railway employes to be formed was the "Conductors' Brotherhood", at Mendota, Ill., July 6, 1868. Being desirous of a more comprehensive organization, a few conductors issued in November, 1868, a circular to the railway conductors of the United States and the British Provinces. As a result of this effort, the Grand Division of the Order of Railway Conductors was organized at Columbus, Ohio, on December 15, 1868. For a period of twenty-two years, the organization grew slowly against much opposition. From 1877 to 1890 the Order was exclusively beneficiary, and many of its members withdrew to organize the "Grand International Brotherhood of Railway Conductors of America". In 1890, the national Convention decided to make collective bargaining one of its functions, and the members of the International Brotherhood joined the Order of Railway Conductors in such numbers that a year later the Brotherhood disbanded. On January 1, 1890, there were 249 subordinate divisions and 13,720 members; on January 1, 1904, there were 446 divisions with 31,288.

The convention which founded the Grand Division of the Order of Railway Conductors also instituted a mutual insurance association. The association thus formed was a voluntary society. Members paid $1 upon each death or each case of disability, and the amount thus collected constituted the benefit paid.(1) At the first annual session held in Chicago in June, 1869, efforts were made to create a permanent insurance fund, but without result; and at the second session held in Buffalo, N.Y., in October, 1869, after lengthy discussion the benefit law, adopted in 1868, was unanimously repealed.(2) For a year the Order had no insurance feature; but at the third session in October, 1870, a definite plan was adopted.(3)

From the adoption of this plan to the session at Buffalo, in 1881, the insurance department remained of small importance, and only 19 claims were paid, aggregating $1672. At almost every annual session during this period, the reports of the grand chief conductor and the grand secretary-treasurer showed that the department was losing ground. At the session of 1881, the secretary-treasurer, reported the "very unsatisfactory condition of the department", and

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(1) "Proceedings of the Conductors, 1868-1885"(Cedar Rapids, 1888), p. 19.
(2) Ib., p. 42. (3) Ib., pp. 48-49.

said: "A complete revision of its laws can no longer be postponed, if we keep it from going to pieces altogether."[1] In 1882, the insurance laws were amended, and an immediate improvement began in the condition of the department. In 1891, the insurance became compulsory. On April 1, 1891, there were 3950 members and the outstanding risks amounted to $9,875,000, while on April 1, 1893, there were 11,436 members, carrying insurance to the amount of $24,963,000. On January 1, 1891, only 27.21 per cent. of the Order carried insurance, as against 64.07 per cent. in May, 1895. During the financial and industrial depression of 1893-96, the Order maintained its prosperity; and on December 31, 1906, the reports showed 34,478 members in the insurance department with outstanding insurance aggregating $64,997,000, and a grand total of $9,563,567.00 benefits paid since organization.

The Brotherhood of Locomotive Firemen was organized at Port Jervis, N.Y., on December 1, 1873, as a benevolent association. In 1885, it became a labor organization with a "protective policy"[2] During the first fifteen years of its history, its growth was retarded by the great strike of

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(1) Ib., pp. 395,435.
(2) Locomotive Firemen's Magazine, Vol. 14, p. 998.

1877, by the opposition of the International Firemen's Union, by difficulties with the Knights of Labor in 1885, and by the Chicago, Burlington, and Quincy strike of 1888. These checks were only temporary, however, and by the close of 1893, the Firemen had 510 lodges with 28,681 members. During the next two years there was a heavy falling off to 484 lodges with 21,408 members. Since 1895 the growth has been rapid, and the present membership is about 55,000.(1)

At its first annual convention in 1874, the Brotherhood established an insurance feature, which after the first four years was made compulsory. The Firemen suffered a temporary check by the strike on the Chicago, Burlington, and Quincy, but were assisted by a loan of $25,839.60 from the Engineers, and regained sufficient strength to withstand the financial and industrial depression of 1893-96. In 1897, Grand Master Sargent said, "The condition of the beneficiary department excels by far any previous period in the history of the Brotherhood - so far as prompt payment of claims and the dispatch of business of the department.(2) The present membership of the insurance department

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(1) Ib., Vol. 14, p. 998.
(2) Ib., Vol. 13, p. 247; Vol. 24, p. 195.

is practically the same as that of the Brotherhood, 58,849. The total outstanding insurance amounts to $75,559,000 and since its organization the department has paid $9,971,615 in death and disability claims.

The Brotherhood of Railroad Trainmen was founded at Oneonta, N.Y., September 23, 1883, under the name "Brotherhood of Railroad Brakemen", which it retained until January 1, 1890, when, "because many of its members had been promoted in the service, the more appropriate name of Brotherhood of Railroad Trainmen was adopted." The membership consists of conductors, brakemen, train baggagemen, train flagmen, yard masters, yard foremen, and switchmen. On August 31, 1893, the membership was 28,540, but on December 31, 1894, it had fallen to 22,359 and at the close of 1896 it reached low water mark at 22,326. Since 1896 the increase has been rapid, and on December 31, 1904, there were 721 lodges with 74,539 members.(1)

The Brotherhood of Railroad Brakemen provided in its first constitution for death or disability insurance. Up to the end of the fiscal year on August 31, 1893, the membership of the insurance department increased rapidly, but with the financial depression the membership decreased, so

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(1) Proceedings, Seventh Biennial Convention, 1905. Rept. of Sec.-Treas., p. 121.

that in May, 1895, it showed a reduction from 28,000 to about 18,000. The membership of the beneficiary department at the close of the year 1904 was 71,146 or 95.43 per cent. of the membership of the Brotherhood, and the total amount of insurance paid from date of organization to January 1, 1906, amounted to $11,725,059.83.(1)

The Order of Railroad Telegraphers was instituted at Cedar Rapids, Iowa, June 9, 1886. To it is admitted "any white person of good moral character, eighteen years of age and employed on a railroad as a telegrapher, line repairer, leverman, or interlocker, including all employes connected with operation of signal towers and interlocking plants."(2) By April 30, 1893, the membership numbered 17,780. A rapid decrease reduced its strength to 10,114 on April 30, 1894, 6684 on December 30, 1894, and finally to 4976 on December 31, 1895. On August 1, 1904, the membership had increased to 37,700.(3)

Although the Order paid benefits almost from its organization, it was without an effective system of insurance until January 1, 1898, when the present system was established. The first constitution, 1886, provided that local divisions should exercise every honorable means to assist

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(1) Trainmen's Journal, Vol. 23, p.100.
(2) "Constitution,1903"(St.Louis, n.d.), pp.5,7.
(3) The Railroad Telegrapher, Vol. 21, p.222.

a member in need, and at the session in 1887 a voluntary insurance association was established under the name of "Mutual Life Insurgance Association of North America." The insurance entirely failed to attract any considerable part of the membership, and up to July, 1890, the total amount paid was only $2430.05.(1) In 1896 the grand division appointed a committee to devise a plan for a system of insurance. The reported plan was submitted to referendum vote in December, 1897, and became operative on January 1, 1898.(2) From March 1, 1898, to June 15, 1899, applications were received without an entrance fee, and during this period the success is compulsory on all new members. At present there are about 38,000 members carrying insurance, the mortuary fund has a balance of $120,000 and the total amount of insurance paid aggregates $142,000.

A local organization of switchmen was effected at Chicago, August 18, 1877, but a national union was not formed until February 22, 1886, when the Switchmen's Mutual Aid Association was inaugurated. At the first annual session in September, 1886, the grand master declared that the purposes of the organization were "to wage war against discrim-

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(1) The Railroad Telegraphs, Vol. 6, p. 310.
(2) Ib., Vol. 14, p. 880.

ination made by arbitrary employers; to organize for benevolent purposes; to amicably adjust labor disputes by arbitration, and for mutual aid to its members."[1] The Association was forced by the defalcations of its treasurer to disband, and a new organization, the Switchmen's Union, was formed. Since this reorganization in 1897, rapid growth has been made under the management of conservative officers. On January 1, 1903, the Switchmen's Union had a membership of 14,000.

The first constitution provided for death and disability insurance. At the second session in September, 1887, the grand master reported $15,000 paid for death and disability claims during the year.[2] Until the disbanding of the Association in 1894, the insurance department was successful. In 1901, the Union, without a dissenting vote, adopted a compulsory system of insurance. During 1902, $6,151,200 of insurance was issued, during 1903, $2,906,600 while at the close of 1902, $4,779,600 of insurance was in force, and at the close of 1903, $6,679,200. The total amount paid in death and disability claims since reorganization has aggregated $207,335.75.

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(1) Switchmen's Journal, Vol. 2, p. 247.
(2) Ib., Vol. 1, p. 244.

The present International Brotherhood of Maintenance-of-Way Employes has suffered many vicissitudes in its development. It was organized in the summer of 1887 as the Order of Railway Trackmen, and admitted into membership foremen in the maintenance-of-way department, road masters, and bridge and building masters.(1) In October, 1891, this organization, with a membership of 600, united with the Brotherhood of Railway Section Foremen, an organization with 400 members. The new union took the name of Brotherhood of Railway Trackmen of North America. Prior to 1898, the Brotherhood was almost exclusively a fraternal insurance society, but in that year collective bargaining was added to its functions. In 1903, the organization became the Brotherhood of Maintenance-of-Way Employes. It admits to membership "persons employed in the track, bridge, and building, water supply and fuel department, and signal and interlocking service." During the last five years the membership of the Order has shown considerable increase. In 1903, over 15,000 members were added, making a total of over 40,000 on January 1, 1904.

Originally the insurance was compulsory. At the convention of October, 1893, it became optional and remained

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(1) Advance Advocate, Vol. 7, p. 106.

so until October, 1894, when it again became compulsory. Owing to opposition from members carrying old line insurance and from the uncertainty in the number of assessments levied each year, the St. Louis convention of 1896 reverted to a system of optional insurance. Previous to the adoption of this plan, the order had paid death, total disability, and partial disability claims to the amount of about $75,000. From January 1, 1897, to September 30, 1904, $74,909.66 was paid to beneficiaries, making a total paid since organization of about $150,000.

The National Association of Letter Carriers of the United States of America was organized at Milwaukee, Wisconsin, 1889. In 1891 the Association was incorporated under the laws of the State of New Jersey, and on February 26, 1892, was reincorporated under the laws of the State of Tennessee.[1] The objects of this organization were three: (a) "To unite fraternally all letter carriers in the United States"; (b) To secure their rights as Government employes and to promote the welfare of every member; (c) To found the United States Letter Carriers' Mutual Benefit Association.[2] Insurance was an original idea with the Association. As

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(1) "Constitution, 1904", (Washinfton, 1904) p. 3.
(2) Idem.

early as January, 1891, the report of the Committee on insurance was published, but was not presented to the National Association for consideration until the second annual session, August, 1891.[1] At this session the Mutual Benefit Association was instituted.[2] The original plan was benevolent in its strictest sense, in accordance with which all members were admitted without rigid medical examination, irrespective of any age limit, and at a level assessment rate. One year later, at the third session, August, 1892, the system was changed so as to provide for a limitation of the age of entry to 55 years, and a graded rate of assessments.[3] The insurance has always been voluntary and consequently the membership of the Benefit Association has been only a small per cent. of the National Association. On July 1, 1905, there were 5318 members carrying insurance to the amount of $13,866,000.00;[4] while there are at present 19,000 members of the National Association.[5]

The membership of the several organizations, as stated above, is composed, for the most part, of employes per-

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(1) "The Postal Record", Vol. 4, pp. 8, 118, 119.
(2) Idem. Vol. 5, p. 528.
(3) "The Postal Record", Vol. 5, p. 185 (1892).
(4) Idem, Vol. 18, p. 283 (1905).
(5) Rept. made by Secty Cantwell, February 19, 1906.

forming one kind of labor. This regulation has never been carried out strictly between the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, and the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen. Since the position of trainmen is the school of apprenticeship for the conductor and that of firemen for the engineer, it would be in many cases a great hardship to compel firemen when promoted to positions of engineer to sever their relations with their mother organization, or to drop the insurance they have carried for many years and to take out insurance in the new union at higher rates than formerly paid. Such circumstances confront the fireman in his promotion to the position of engineer. In case of transfer from the Brotherhood of Trainmen to the Order of Railway Conductors the cost of insurance is practically the same in both organizations and the two have had no serious conflict.

Of recent years, however, the right of jurisdiction over firemen promoted to positions of engineers has led to bitter strife between the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen. The Firemen at present who are running engines number about 18000.(1) For various reasons the Brotherhood of Firemen contends for the

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(1) Proceedings of Sixth Biennial Session of Brotherhood of Locomotive Engineers, 1904, p. 52.

retention of all members promoted to the position of engineer. Such a result, the Brotherhood of Engineers realizes, would make serious inroads into its organization and would in the end completely destroy its power as an organization. The Brotherhood has, therefore, maintained that engineers should not belong to other organizations and that all firemen promoted to the ranks of engineers should be under the jurisdiction of its organization. Grand Chief Stone gives two fundamental reasons for this position:(1) In the first place. the Brotherhood of Locomotive Engineers is dependent upon a supply of new blood for its existence and that promotion from the Brotherhood of Locomotive Firemen forms a chief source of this supply. Secondly, it is impossible to control members in the execution of contracts made with the different railway companies where they belong to some other labor organization - Collective bargaining is entirely destroyed.

Circumstances of this kind have compelled the Brotherhood of Locomotive Engineers to adopt constitutional provisions requiring all engineers to sever their connection with other labor organizations. As early as 1886 the Broth-

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(1) Proceedings of Sixth Biennial Session, 1904, p. 68.

erhood passed a law requiring all members to withdraw from the Pennsylvania Railway Relief Department. One year later, however, this law was repealed.[1] At San Francisco, 1884, the Convention passed a law providing that "No member of the Brotherhood of Locomotive Engineers who is also a member of the Brotherhood of Locomotive Firemen shall be eligible as delegate to Grand International Division of Brotherhood of Locomotive Engineers.[2] Also, the 1885 Convention declared that an applicant to the Brotherhood should not at time of his election be "a member of any other labor organization."[3] In 1900 the regulations provided that a member of the Brotherhood of Locomotive Firemen might be admitted without withdrawing from that organization, but with the understanding that he withdraw within one year from initiation into the Brotherhood of Locomotive Engineers.[4] In 1904 constitution this limit of withdrawal is fixed at ninety days.[5]

Various concrete cases are cited in justification of the Engineers' position on this question. The principal instances given by Grand Chief Stone are the Knights of Labor strike of 1877 and the strike of the American Railway of

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(1) Proceedings of Sixth Biennial Session, 1904, p. 68.
(2) See 1884 Const.
(3) Constitution, 1885 (Cleveland, 1885), p. 18.
(4) " 1900 (" 1900), p. 23.
(5) " 1904 (" 1904), p. 27.

Union of 1895 led by Mr. Eugene V. Debs. In each of these cases the result of dual membership was seen to be "a menace to the stability of the organization." Those holding membership in both organizations, says Mr. Stone, broke contracts that had been entered upon by the Brotherhood of Engineers and followed leaders of other labor organizations. The engineers claim the right to legislate for this class of labor, and that under conditions of dual membership it is impossible to enact effective legislation.

The most serious problem the two organizations have to meet is the adjustment of insurance laws. The Engineers require that every member shall carry at least one insurance policy in their organization and that they withdraw from the Brotherhood of Locomotive Firemen ninety days after initiation. The Firemen, because of the differences in the cost of insurence in the two Brotherhoods, have resented the Engineers' requirement. They maintain that the provisions of the Engineers' constitution are insufficient for the end desired and that it is impossible to construe them so as to warrant the expulsion of "promoted engineers", who still retain their relations with the Brotherhood of Locomotive Firemen. The latter realize that the courts stand between their members and the danger of losing by expulsion any insurance that they have taken with the Engineers. The courts have

held in Schlasser v. Brotherhood of Railroad Trainmen[1] that a tender of dues is sufficient to keep a member in good standing in a fraternal insurance association. The Firemen have taken advantage of this position. They advise their members, who hold insurance certificates with the Engineers and whom the latter are trying to force out of the Brotherhood of Firemen by expelling them from the Brotherhood of Locomotive Engineers, to tender all dues just as in case no expulsion had taken place.[2]

From the outset all the railway organizations described above[3] have made a distinction between death and disability insurance, and sick and accident insurance. The locals have been prohibited either specifically or by implication from maintaining any association or society for paying death and disability benefits. This rule was first established by the Conductors. During the early years of the Conductors' national history, 1868-1880, many subordinate divisions maintained mutual benefit associations for the payment of death and disability insurance. The growth of the national benefit department was thus retarded, and at the tenth annual session in October, 1877, subordinate divisions

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(1) 94, Md. 362; 50 A. 1048 (1902).
(2) Firemen's Magazine, Vol. 39, p. 252 ff.
(3) Advance Advocate, Vol. 7, p. 106.

were prohibited from maintaining "mutual benefit societies".[1] The national organizations, on the other hand, do not furnish sick and accident insurance, but leave this function to the local bodies. In the formulation of this policy also, the Conductors took the initiative. They provided in their first national constitution in December, 1868, that the order should never become a weekly benefit association.[2] The Engineers had a similar provision as early as September, 1869. However, national regulations governing the payment of weekly benefits were formulated. The other railway unions have followed this policy, and their constitutions provide that the weekly benefits shall be levied, collected, and distributed according to national rules.

The most distinctive characteristic of the insurance features of the railway organizations has been the placing of disability insurance on an equality with death insurance. The fact that railway employes are specially exposed to the risk of disabling accidents has been the chief influence in this direction. The large number of claims paid for disability in the Conductors', the Firemen's and the Trainmen's beneficiary departments during recent years shows the high

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(1) Proceedings of the Conductors, 1868-1885" (Cedar Rapids, 1888), p. 207.
(2) Ib., p. 21.

importance of disability insurance to the men engaged in the more hazardous occupations.

The disability claims paid among the Firemen for the eleven years from 1894 to 1904 were 24.5 per cent. of the total number of claims paid, about one-third of the number of death claims paid. Among the Conductors the disability claims, paid during the same period, amounted to one-seventh of the death claims paid. The Trainmen, during a period of twenty years, 1884-1904, paid disability claims equal to 32 1/3 per cent. of all claims paid. The percentage of disability claims has gradually decreased in each of these organizations for some years. The disability claims paid by the Conductors in 1894 were 15.6 per cent. of the total number of claims paid, and at the close of 1904, 11.8 per cent.; while among the Firemen the percentages for the biennial terms 1894-1896 and 1902-1904 were 32.9 per cent. and 21.4 per cent. respectively.

The percentages of disability claims among the Trainmen from 1886 to 1904 inclusive show a slight tendency to decrease during the last decade, although during the twenty years there was a successive rise and fall every two years. In 1890, 1895, and 1897 the percentage of disability claims rose to maxima of 40,41, and 40 respectively, while in 1888, 1900, and 1903 the percentage fell to 28,29, and 27

respectively. The number of disability claims per 1000 of the total membership furnishes a better basis of comparison. In the biennial terms, 1894-1896 and 1902-1904, the disability claims paid by the Firemen were respectively 6 and 4.3 per 1000 of the total membership. Disability claims per 1000 of the total membership among Trainmen show an increase up to 1890 at 8.6, then a decrease to 6.1 in 1892, then a rise to 7.8 in 1895, and, finally, a gradual decrease to the present, at 4.6 during 1903 and 5.2 during 1904. This decrease in rate of disability claims is due partly to greater efficiency in the administration of the disability insurance laws and partly to im-

	Term	Claims paid		Per cent. of Disability Claims.	Disability Claims per 1000 of Total Membership.
		Death	Disability		
Conductors	'93-'94	265	49	15.6	3.8
	'95-'96	274	46	14.3	3.1
	'97-'98	363	63	14.8	3.6
	'99-'00	440	55	11.1	2.6
	'01-'02	523	81	13.4	3.2
	'03-'04	688	92	11.8	3
Firemen	'94-'96	295	145	32.9	6
	'96-'98	349	118	25.3	4.3
	'98-'00	488	174	26.3	4.7
	'00-'02	655	186	22.1	3.9
	'02-'04	857	234	21.4	4.3

Trainmen -

(1) Term	Claims paid. Death	Disability	Per cent. of Disability claims	Disability claims per 1000 of total Membership
1886	75	37	33	4.6
1887	77	42	35	4.8
1888	145	59	28	5.2
1889	152	69	31	5.1
1890	175	116	40	8.6
1891	264	123	32	6.6
1892	270	145	34	6.1
1893	372	201	35	7.1
1894	304	138	31	6.1
1895	212	147	41	7.8
1896	254	159	38	7.2
1897	240	160	40	6.3
1898	358	165	31	5.8
1899	403	211	34	5.7
1900	498	205	29	4.9
1901	507	231	31	5.1
1902	570	249	30	4.7
1903	788	305	27	4.6
1904	849	374	31	5.2

(1) Trainmen, "Seventh Biennial Convention Proceedings". 1905, Rept. of Sec.-Treas., p. 124.

proved conditions under which the duties of conductor, fireman, and trainman are performed.

For the entire period, from December 1884 to December 31, 1904, in which insurance has operated among the Trainmen, disability claims for all causes amounted to 32, 1/2 per cent. and the death claims to 67, 2/3 per cent of all claims paid.(1) The following table contains further comparison of death and disability claims paid by the Trainmen.

Kind of claims	No. from natural causes	No. from accidental causes	Pr.cent. of claims from accidental causes.	Pr.ct.of claims from accidental causes	Pr.ct. of claims from all causes.
Disability	526	2610	16.77	83.23	32,1/3
Death	2033	4522	31.	69.	67,2/3
Totals	2559	7332	26,1/3	73,2/3	

These data show the place disability insurance has occupied among railroad trainmen during twenty years. For this period disability claims for all causes were 32,1/3 per cent. of claims paid. The percentage of claims for accidental causes - including both disability and death - was 73,2/3

(1) "Proceedings, Seventh Biennial Convention", 1905, Report of Grand Master, pp. 65-66.

of the whole number of claims paid, while the percentage for natural causes was only 26,1/2. In other words, these statistics show that the Trainmen's accident disability and death claims, as compared with those due to natural causes, have averaged almost three claims paid as the result of accidental causes to one as the result of natural causes. This record the Grand Master claims has never been equalled nor approached by any other insurance association.

The old-line companies do not offer the form of disability insurance required by railway employes. These companies issue accident policies against death and total or partial disability from accident while on duty; but there are two defects in the form of this insurance. In the first place the definition of total disability adopted by the companies is much stricter than that of the insurance departments of the railway brotherhoods. A typical insurance company's definition of total disability is - incapacity for "prosecuting any and every kind of business pertaining to a regular occupation from the loss of both eyes, both feet, or one hand and one foot;" while partial disability is "the loss of one hand or one foot or any injury preventing the performance of one or more important daily duties

pertaining to a regular occupation." In other words, to secure the indemnity for total disability, the insured must be disabled from performing any regular labor whatever. In the railway organizations total disability is usually defined to mean inability of the insured to continue in his position and has no reference to general disability. Secondly, the disability insurance offered by the companies is joined with accident insurance affording a weekly indemnity during the period of illness due to accident. The railway employe, if he insures against totally disabling accidents, must also insure against temporarily disabling accidents, since the companies do not separate the two forms of insurance. The inclusion of all accidents in one policy necessitates a heavy premium. For example, to secure accident insurance including, besides a weekly indemnity of $20, provision for the payment of $1000 in case of death or total disability resulting from accidents, an engineer must pay an annual premium of $50.40 or $56 according to the section of the country over which he runs, or the system by which he is employed. The combination of life with disability insurance meets the need of the ordinary railway employe better than any other combination.

The formative period of the two older organizations

furnished opportunities for a study of the disability benefit and showed its usefulness in strengthening the national unions. These organizations, however, experienced grave difficulties in their attempts to administer disability insurance. The Engineers included "totally disabled members" among the beneficiaries of the fund provided for in 1866.(1) The by-laws of the insurance association founded by the Brotherhood on December 3, 1867, provided for assessments of 50 cents per member for the benefit of each totally disabled member - one-half the amount assessed in case of death.(2) The history of this benefit was tersely summed up by General Secretary-Treasurer Abbott in his address to the Engineers' Association, December 3, 1871: "the Baltimore convention, 1869, adopted a disability clause, the Nashville, Tenn., convention amended it, and the Toronto, Canada, convention, 1871, repealed it." At St. Louis, 1872, the Brotherhood formed a separate association, known as the "Total Disability Insurance Association", for furnishing insurance against disability to members. An entrance fee of $2 was required and the assessment was fixed at $1.(3) In 1876, the convention dissolved the Total Disability Insur-

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(1) Locomotive Engineers' Journal, vol. 1, p. 9.
(2) "Constitution, 1869" in Journal, vol. 4, p. 31.
(3) Journal, vol. 5, p. 11; vol. 7, pp. 28,60.

ance Association, and the Engineers did not succeed in establishing a satisfactory system of disability insurance until 1884, when the prosperous condition of the insurance association enabled the convention to carry out its long-cherished plan and to make provision for the payment of the same benefit in case of total disability as at death.(1) In the call of the Conductors for a convention to effect a permanent organization issued in November, 1868, the purpose of the proposed Order was stated to be the protection of "the members and their families in case of sickness, accident, or death".(2) The mutual insurance association instituted by the first convention paid a disability benefit equal to the death benefit. The law under which the association operated was repealed at the second convention in October, 1869; but when the third convention in October, 1870, adopted a new insurance plan, provision was made that disability insurance should be paid in an amount equal to that paid in case of death. Not until 1881, did the Conductors satisfactorily solve the problem.

The difficulties experienced by the Engineers and the Conductors in establishing disability insurance without

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(1) Journal, vol. 7, pp. 28-60; vol. 11, p. 78; "Constitution, 1884" (Cleveland, 1884).
(2) "Conductors's Proceedings, 1868-1885" (Cedar Rapids, 1888), p. 19.

doubt served to deter the Firemen from adopting disability insurance until their fifth convention in 1878. During the period, 1868-1880, the disability benefit was in process of evolution. By 1880, the three older organizations had demonstrated the possibility of maintaining the benefit, and since that time it has been regarded as an essential element in railway insurance systems. Hence, the Trainmen in 1883, the Telegraphers in 1887, and the Switchmen in 1886, in their first constitutions, and the Trackmen in 1893, made the disability insurance equal to that paid in case of death. All of the railway organizations, except the Telegraphers, follow this policy at the present time. The Telegraphers have not paid a disability benefit since 1897. They provide, however, that should a member become totally or permanently disabled the insurance committee may order his assessments paid and shall deduct the amount of these assessments when the benefit is finally paid.(1) The failure of the Telegraphers to pay a disability benefit is largely due to the fact that their occupation is less dangerous than other forms of railway service.

The Letter-Carriers, until the Denver Convention, 1902, paid insurance against death without di-

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(1) "Constitution, 1903" (St. Louis, n.d.), Article 18, p. 106.

rect provision for disability. At this Convention, however, the National Association organized a Retirement Association for the support of the aged and disabled members.[1] The Association had two ends in view in founding this department: (1) to provide means of protecting disabled members from want and of securing a provision for old age, and (2) to meet the growing necessities arising from the employment of large numbers of carriers whom old age prevented from doing the maximum amount of work the occupation required.[2] Under the original law, which went into effect January 1, 1903, the Association issued retirement certificates to members in the sums of $500, $400, $300, $200 at monthly premiums of $6.70, $5.35, $4.00, and $2.70, respectively. On retirement, after having paid thirty annual premiums or their equivalent, the member was entitled to receive annually the amount of his certificate. The retirement might also take place after thirty years' service, or after thirty years' membership in the Association, or after the age of sixty-five had been reached, provided ten annual premiums had been made.[3] This "ten annual premium" concession was for the special benefit of old mem whose circum-

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(1) "The Postal Record", vol. 15, p. 235, 254-257.
(2) Idem., vol. 15, p. 301.
(3) Idem., vol. 17, p. 6.

stances would not allow them to pay the sum of thirty years' premiums. The concession was allowed only for a period of ten years.(1)

Further provision was made that, after January 1, 1906, any member of the Retirement Association who - - - should serve as a letter carrier or should continue a member for a stated term of years, and who should become permanently incapacitated, mentally or physically, for any kind of remunerative labor before thirty years' service or before attaining sixty-five years of age, should receive annually from the retirement fund a certain per cent. of the face value of his retirement certificate. The amount was proportionate to the years of service. For five years' membership such a member received fifteen per cent., for ten years, thirty per cent.; for fifteen years, forty-five per cent.; for twenty years, sixty per cent.; for twenty-five years, seventy-five per cent. Any member of not less than five years standing might, after ninety days' notice to the chief clerk, withdraw from the Association; and in such event, he became entitled to receive seventy-five per cent. of the annual premiums paid to the Association. Also in case of death within two years of his retirement and

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(1) "The Postal Record", vol. 15, p. 302.

prior to the payment of not more than twenty-four monthly installments of pension, the Association agreed to pay to the widow, the children, or the legal heirs the annuity provided in the deceased member's certificate until the amount paid should aggregate seventy-five per cent. of all premiums received by the Association.(1)

The original plan was a failure. In it, business principles had been sacrificed for fraternity. Relief had been provided for the old men particularly, but very few, even of these, took advantage of the opportunity. The young men refused to enter, because the favorable rates to old men placed a heavy burden upon the younger members.(2) The report of the chief clerk to the Syracuse Convention in 1903, showed that up to September 1, 1903, only eighteen retirement certificates had been issued, of which thirteen were for $500, two for $300, and three for $200. The average age of membership at entrance was fifty-three and the average length of service, twenty-two years. The total receipts of the retirement fund were only $380.90.(3) On September 1, 1905, the total number of certificates issued had

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(1) "The Postal Record" vol. 17, p. 6.
(2) Idem., vol. 19, p. 7.
(3) " vol. 16, p. 237.

reached twenty-five, with only nineteen outstanding, while the retirement fund had increased to $2,839.88.[1]

The originators of the Retirement Association were forced, through criticism, negligence, and indifference of the members of the National Association, to abandon their experimental fraternity scheme and to formulate a plan based more nearly upon business principles. Consequently, at the Portland Convention, September, 1905, Chairman Goodwin and Chief Clerk Wilson, of the retirement committee proposed a new plan.[2]

Under the new law, which became operative January 1, 1906, the Retirement Association was authorized to offer insurance against disability, and insurance against old age.

The members of the Association are, therefore, divided into two classes, - "annuity members" and "disability members" - but those duly qualified may hold both annuity and disability certificates. Any member of the National Association of Letter Carriers may become an "annuity member"; but only those under sixty-five years of age, and in good physical condition, may become "disability

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(1) "Postal Record", vol. 18, p. 215.
(2) Idem, vol. 18, pp. 214-215.

members". A member retiring from the carriers' service ceases to be entitled to disability relief; on the other hand, however, retirement from carriers' service does not affect the right of a member to an annuity.(1)

The plan provides (1) for annuities of one, two, three, four, and five hundred dollars to be paid after a certain age; (2) that the members, pending the attainment of the annuity age, shall share the profits accruing from the investments of accumulated premiums, by an annual credit in the form of interest on their monthly payments, or by deposits at the rate of four per cent. per annum, and by a division, every fifth year, of a proportional share of the surplus in excess of that rate; (3) that all payments shall be returned, with interest, upon the withdrawal or the death of a member at any time prior to reaching the annuity age; (4) that members may receive loans to the amounts of ninety-five per cent. of the sums accredited to them in the retirement fund, provided this aggregate $200 or over and they surrender their certificate as collateral; (5) that members with $100 or more credit may receive a $50 loan as an emergency loan for three months during any one year.(2)

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(1) "Const.of Retirement Association, 1905, Art.7 in "Postal Record" vol. 19,pp. 2-6.
(2) "The.Postal Record", vol. 19, p. 2.

The disability certificate provides for an indemnity of eight dollars per week for loss of time resulting from disability caused by accident or sickness, a maximum of twenty weeks' disability during any one year, and for the payment of the benefit continuously or at different periods during the year.[1] However, should a member after entrance into the association, become disabled permanently by "tuberculosis, paralysis, locomotor ataxia, dropsy, cancer, diabetes, sciatica, chronic rheumatism, chronic kidney or mental disease, or any other chronic disease", not specifically named in the Constitution, that may in the judgment of the board of directors cause permanent drain upon the funds of the Association, the said member shall receive the disability allowance for twenty weeks, after which all payments shall cease and his certificate shall be cancelled.[2]

To aid members who are too old to take advantage of the plan offered for securing annuities by their own financial efforts, the Association, in convention at Portland, September, 1905, adopted an "extended leave of absence retirement plan".[3] This plan was a proposition adopted by

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(1) "The Postal Record", vol. 19, p. 2.
(2) "Const., 1905, Art. 12, in "The Postal Record" vol.19 pp. 2-6.
(3) "Postal Record", vol. 18, pp. 220-222.

the National Association of Letter Carriers requesting the Post-Office Department of the United States to grant an extended leave of absence to "superannuated or permanently impaired" carriers on condition that they accept 40 per cent of their regular salary, while retired, and that they pay the remaining 60 per cent. to the senior substitute in their office. Under the conditions of this plan, the applicant for retirement must submit himself to the board of examiners, who shall, after a physical examination by the physician of the board, determine his eligibility. The results of this plan would be two-fold: (1) to relieve the detrimental effect of superannuation upon the efficiency of the service and (2) to remove the fear of those who look for more drastic measures of relief. Aside from a regular pension grant by the Government this plan is considered the most efficient method of securing adequate protection for the superannuated who are too old to avail themselves of the opportunities offered under the system of annuities.(1)

The change in the systems of retirement worked a considerable increase in the cost of the annuity. This increase was made necessary by the additional advantages in

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(1) "The Postal Record", vol. 19, p. 6.

the certificates issued. The principal advantages contained in the new laws have already been stated above. The following table gives the cost per $100 annuity under the two systems.

A. Cost of Old System of Retirement. (1)

Amount of certificate	Monthly Premium	Yearly Premium.	Average cost per $100 annuity after period of 30 years.
$ 500	$ 6.70	$ 80.84	
400	5.35	64.20	
300	4.00	48.00	$ 16.10
200	2.70	32.20	

B. Cost of New System of Retirement on $100 annuity. (2)

Age of entry.	Age at which annuity begins.								
	30	35	40	45	50	55	60	65	70
20	$13.47	7.66	4.83	3.19	2.16	1.47	.99	.66	.45
30		28.31	11.97	6.63	4.05	2.59	1.68	1.08	.72
40				24.50	10.06	5.37	3.16	1.91	1.21
50						19.83	7.79	3.98	2.27
60								14.62	5.62
65									12.46

(1) "The Postal Record", vol. 17, p. 6.
(2) Idem. Vol. 19, p. 11. For the rates on the intermediate ages see complete table of rates. Annuities $500 are granted at relatively proportionate rates.

Table "A" shows the cost of annuities at level rates under the original system. Certificates were issued in amounts from $200 to $500. For the stated monthly premiums any member of the National Association might retire after thirty years' service, or thirty years' membership or after having reached sixty-five years of age, provided ten annual premiums had been paid. The average cost of $16.10 per year for these periods guaranteed the member $100 annuity after retirement. In table "B" are represented the rates, graded according to age, that must be paid monthly in the form of premiums to accumulate the value of an annuity of $100 beginning with the fixed ages. For larger annuities these rates should be increased proportionally to the increase of the annuity, i.e., double the rate of $100 annuity for $200, etc.

To find the rate for any of the ages mentioned find the figures, corresponding to the age of entry, in the left hand column and follow the line to the right to the column at the top of which is the figure that represents the age at which the annuity is to begin. The figures in this column represents the amount of the premium to be paid monthly from the age of entry to the time when the annuity is to begin, after which all premiums cease and the annuity is

paid to the end of life. For example, suppose a member entering at 20 years of age wishes to draw annuity at fifty, he must pay a monthly premium of $2.16 until he reaches fifty years of age after which he will receive his annuity until death. This represents the payment of thirty annual premiums, a cost of $25.92, as against the level rate of $16.10 for $100 annuity after thirty annual payments under the old system. Or at the entrance age of forty suppose a member wishes to draw annuity at sixty-five or seventy, he must have paid annual premiums of $22.92 and $14.42 respectively on a basis of $100 annuity against the level rate under the original law. In the new system the length of the time between the age of entry and the time of retirement, and the period of expectancy of the member are the two principal determining factors in the cost of the annuity.

This analysis of the two systems thus shows two characteristic distinctions of the new system from the old. In the first place it is a system of graded rates, and secondly, the new system provides that a member may retire ten years after entrance, or thereafter at any successive period of five years up to seventy and that his premiums shall be fixed according to the time of retirement and the period of his expectancy.

The principal obstacle to the successful operation of disability insurance has been the difficulties experienced in its administration - largely on account of the impracticability of closely defining permanent or total disability. With almost every revision of the constitutions changes were made in the definition of the term "disability". Strict construction of the law by the executive officials led to dissatisfaction, and often to appeals from their decisions to the insurance committees, or to the boards of trustees.(1) During the early years, disability claims were often presented through subordinate officials, who were either unable to interpret the laws aright, or were unwilling to assume the responsibility of pronouncing the claims illegal. The Engineers, after a period of thirty-two years, in 1898, adopted a satisfactory definition of total disability: "Any member of this Association losing by amputation a hand at or above the wrist joint; a foot at or above the ankle joint; or sustaining the total and permanent loss of sight in one eye or both eyes, shall receive the full amount of his insurance."(2) Similar definitions of

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(1) "Proceedings of the Conductors, 1887" (n.p., n.d.), p. 106.
(2) "Constitution, 1898" (Cleveland, 1898), Article 28.

disability have been worked out by the other railway organizations. The Conductors add to this "total loss of the sense of hearing." The Switchmen include "the loss of four fingers of one hand, at or above the second joint; or of three fingers and thumb of one hand, at or above the second joint." Disability as defined by the Letter Carriers means disability because of sickness or accident to perform the regular duties of a letter carrier.(1)

A most important development in the insurance systems of the railway unions has been the change in the amount paid from an uncertain to a fixed amount. This evolution is best illustrated in the history of the older organizations. In the period from 1868 to 1884 the amount paid was the amount collected by levying upon each member a certain sum for each death or disability. The amount of the benefit therefore varied with the number of members. In the first stage, the Engineers paid $1 per member upon each death and 50 cents in each case of disability, the Conductors paid $1 per member upon each death or case of disability, while the Firemen paid 50 cents per member upon each death or case of disability.(2) The membership was small and

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(1) Letter Carriers' "Const. 1905", Art. 13, (in Postal Record", vol. 19, No. 1, p. 3.
(2) Engineers' "Constitution, 1869" in Journal, vol. 4, p. 31; Conductors' "Proceedings, 1868-1885" (Cedar Rapids, 1888), p. 119; Firemen's Journal, vol. 21, p. 181.

the assessments were largely regarded as benevolent contributions. This phase is well illustrated by the early history of the benefit among the Conductors. The first benefit paid in December, 1871, amounted to $48. During the first thirteen years of the department's activity nineteen claims were paid. The last was $70, and the average amount paid was $88.(1) This system continued until 1881-1884, when a general revision of constitutions in these three brotherhoods limited the amount of insurance paid, andlaid the basis for issuing insurance certificates in fixed amounts. In the second period, from 1883 to 1890, the number of assessments remained undetermined; but the amount of the benefit was limited to a fixed sum and all surpluses were placed in reserve. The Conductors and the Firemen took the initiative in this change and in the constitutions of 1881 fixed the maximum amount for death or disability at $2000 and $1000 respectively; the Engineers, in the constitution of 1884, placed this maximum at $3000.

The Brotherhood of Railroad Trainmen, the Order of Railroad Telegraphers, the Switchmen's Union, and the Maintenance-of-Way Employes did not pass through the first pe-

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(1) "Eighteenth Proceedings, 1885" (Cedar Rapids, 1888), p. 754; Journal, vol. 4, p. 188.

riod of development, but were organized during the second stage when the amount of insurance was limited. The Trainmen, the Telegraphers, and the Switchmen, in their first constitutions of 1883, 1887 and 1886, respectively, and the Trackmen (Maintenance-of-Way Employes) in 1892 fixed the amount paid at the definite sums of $300, $1000, $500 and $1000, respectively. The Letter Carriers were organized after the railway unions had definitely settled the question of fixing the amount of insurance that any member might receive. Therefore, their first insurance laws provided for $3000 for full-rate members and $1500 for half-rate members;[1] but for several years the Association was unable to pay the maximum amount.[2] The beneficiaries during this time received an amount equivalent to one assessment, at the regular rates, upon all the certificates in force at the time of the insured's death. The amounts paid on a first rate certificate for the second death, March 22, 1892, and the third death, July 28, 1893, were $599.16 and $596.12, respectively.[3] Finally, in the period from 1890 to the present, the number of the assessments was also fixed.

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(1) "The Postal Record", vol. 4, pp. 118-119.
(2) Idem, vol. 5, p. 185.
(3) Idem, vol. 5, p. 138.

Another important change in the method of conducting these insurance systems was made in the decade from 1890 to 1900. The organizations with two exceptions have not adopted the policy of the insurance companies in varying the charge with the age of the insured. The device they have commonly used is the differentiation in the amount of insurance which may be taken, in such a way that the older members may insure themselves only for a smaller amount. As early as 1886 the Firemen provided that only members under forty-five years of age might carry insurance,(1) and in 1887 the Telegraphers adopted an age limit of fifty years.(2) The Conductors under the constitution of 1890, provided that any member between the ages of fifteen and fifty might carry $2500 against death or disability, and any member between the ages of fifty and sixty might carry $1000 against death and $500 against disability.(4) In 1892 the Engineers introduced an age limit of fifty and in 1894 further differentiated applicants, so that those under forty years of age might secure $4500, those under forty-five years of age might obtain $3000, and all over forty-five and under fifty

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(1) Constitutions for several years. concerning the Trackmen reference is made to "Constitution, 1893" (n.p., n.d.): "Second Annual Proceedings, 1893", in Advance Advocate, vol. 2.
(2) "Constitution, 1886" (Terre Haute, n.d.), sec. 71.
(3) "Constitution, 1887", Articles 12-13, in Railroad Telegrapher, vol. 2.
(4) Constitution, 1888", seccond edition"(Rochester,1890,)

years of age.$1500.[1] Even now the Switchmen and Trainmen offer equal amounts to members of all ages at the same rate. The Maintenance-of-War Employes and the Letter Carriers grade the charge per $1000 according to age. In case of the former members from 18 to 35 years of age pay $1 per $1000 of insurance; those from 35 to 40, $1.25; from 40 to 50, $1.50.

Insurance rates in the Letter Carriers' Mutual Benefit Department have, with the exception of the first year of operation, been graded according to age. The present rate, however, has been established after several changes from the original. At the second Convention, 1891, after one year under a level rate, the association fixed minimum and maximum age limits at 21 and 55 years respectively, and furnished insurance at 33,1/3 cents per $1000 per month to members between 21 and 25 years of age; 51 cents to those 40 years of age; 64 cents to those 50 years of age; and 71 cents to those 55 years of age, with other ages at proportionate rates.[2] In 1893, minimum and maximum limits were 18 and 55 years respectively, and in 1898, 21 and 50 respectively. In 1902, the minimum age was fixed at eighteen, after which there were no further changes until the 1905

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(1) "The Postal Record", vol. 5, p. 185.
(2) Idem; Const., 1898 n.p.,n.d., Art. 7; Const., 1902, Law 1; "The Postal Record", vol. 18, p. 247.

Convention, when the organization returned to the original limits, 21 and 55.(1) The rates have also changed during this period of development. In 1895 rates to members beteeen 18 and 25 were 42 cents per $1000 and to those of 55 years, $1.07; in 1898, between ages of 21 and 25, and 49 and 50 they were 38 cents and 88 cents respectively; and again in 1902 the rates for the ages of 18 and 25 inclusive became 42 cents; for 40 and 41 years of age, 71 cents; and for 49-50, 97 cents. In 1905, the Association made more radical changes and increased the rates to 77 cents for $1000 per assessment (usually one per month) for members between the ages of 21-24, $1.14 for those 40 years of age and $2.05 for those 55 years of age, with proportionate rates for all other ages.(2)

The rates as adopted at the Portland Convention, September, 1905, were not inaugurated without opposition. Many members had long maintained that the rates were too low, and in the early part of the session, since several plans had been proposed for increasing them, a committee was appointed to report some definite plan of increase.

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(1) Idem; Const., 1898 n.p., Art. 7; Const., 1902, Law 1, "The Postal Record", vol. 18, p. 247.
(2) "Const. 1895", (n.p., n.d.), Art. 7; Const., 1898 (n.p., n.d), Art. 7; "Const., 1902, (Washington, 1902); "The Postal Record", vol. 18, pp. 247, 257.

This committee made a majority and a minority report. The majority recommended the adoption of the National Fraternal Congress rates, both for whole life insurance and for term insurance. The minority proposed a rate less than the whole life rate and greater than the term rate of the National Fraternal Congress, which was finally adopted by the Convention.(1) The advocates of the minority report urged that the National Fraternal Congress rates were too high, and that the rate that would produce the least possible hardship upon the members should command the support of the convention. They claimed that the adoption of the majority report would force out many older men who had been in the organization for many years and that every man over the age limit of 49 who maintained insurance at that time, either would have to reduce his insurance, or get out of the organization entirely.(2) They further held that the rates proposed in the minority report would practically double the aggregate amount of each assessment, or an increase from $6,722 the average of the sixteen assessments during 1904, to $12,498.76.

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(1) "The Postal Record", vol. 18, p. 247, 251. Table of Rates: viz., see page 66.

The following table shows the regulation of the amount of insurance issued according to ages:

Organization.	Age Classes	Amount of Insurance issued.
Engineers,	Under 40 years	$4500
	40 and under 45	3000
	45 and under 50	1500
Conductors,	Under 35 years	3000
	35 and under 45	2000
	45 to 50	1000
Firemen,	Under 45 years	3000
	45 and over	1500
Trainmen,	No age restriction	1350
Telegraphers,	18 and under 45	1000
	45 and under 50	500
	50 and under 60	300
Switchmen,	No age restriction	1200
Maintenance-of-Way Employes,	18 and under 45 at graded rates	1000
Letter-Carriers,	18 to 55 at graded rates -	1000 to 3000.

(1)

Note - page 65

Table of Rates for five year Periods.

Age	$1000	$1500	$2000	$3000
21	.77	$1.16	$1.54	$2.31
25	.84	1.26	1.68	2.52
35	.99	1.49	1.98	2.97
40	1.14	1.71	2.28	3.42
50	1.83	2.75	3.66	5.49
55	2.06	3.09	4.12	6.18

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The necessity for a reduction in the amount of insurance issued to the older men was more urgent among the Engineers and the Conductors than among the other railway organizations, since the latter form the school of apprenticeship from which the engineers and the conductors are drawn. In the Trainmen's and the Switchmen's organizations the young men contribute materially to the cost of insuring the old men. This charge is not as heavy as might appear at first sight, since in both organizations many members withdraw when they are promoted to higher positions in the service. In grading the amount of insurance offered according to age, the brotherhoods have made a compromise between an assessment on each individual according to the liability incurred, and a system in which the welfare of the individual is regarded as entirely at one with the welfare of the entire membership. The principle of social solidarity is still recognized, but under limitations.

Originally, these unions collected assessments to meet death or disability claims after the occurrence of the death or disability. Considerable delay was thus entailed in the payment of claims. All of them, with the exception of the Engineers, now hold reserve funds for the payment of claims. The Conductors took the initiative by providing in

the constitution of 1881 that the grand secretary-treasurer, on paying a claim, should levy the regular assessment upon each member to be held in reserve to pay the next claim.(1) This was followed in 1885 by a regulation of the Trainmen which required all members to pay in advance one death assessment. This was repealed by the convention of 1886; but the convention of 1888 re-enacted the law. The Firemen provided in 1888,(2) that the subordinate lodges should collect all dues quarterly in advance.

In determining the amount of insurance offered, the organizations have had necessarily to consider primarily what their members can afford to pay. Only a certain per cent. of earnings can be set aside for insurance purposes, and that amount has been determined only by the long experience of the organizations. Again, the insurance must be in an amount which accords with the idea of the workmen of what constitutes a satisfactory provision against death or disability. The amount offered must for this reason be comparable with that offered by insurance companies.

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(1) "Constitution, 1903" (Pittsburg, 1903), pp. 80, 86.
(2) "Constitution, 1888", (Terre Haute, 1888) secs. 50, 52, 53.

The following table shows the minimum and maximum amounts paid by the several brotherhoods:

Brotherhoods.	Minimum Amount	Maximum Amount
Brotherhood of Locomotive Engineers.	$1500	$4500
Order of Railway Conductors.	1000	3000
Brotherhood of Locomotive Firemen,	1500	3000
Brotherhood of Railroad Trainmen,	500	1350
Order of Railroad Telegraphers,	600	1000
Switchmen,	600	1200
Maintenance-of-Way Employes,	500	1000
Letter-Carriers Association.	1000	3000

Originally, except in case of the Letter Carriers where it has always been $3000, the maximum amounts paid were much lower than at present. As the membership increased, a greater benefit was paid. In 1887, the Conductors' maximum insurance was $2500, and in 1888, the Firemen's, the Trainmen's, and the Switchmen's were raised to $1500, $1000 and $800 respectively. Each of the railway organixations has since raised the maximum: the Engineers to $4500 in 1892, the Conductors to $5000 in 1893, but reduced in

1899 to $3000; the Firemen to $3000 in 1903; the Trainmen to $1350 in 1903, and the Switchmen to $1200 in 1901. While the Engineers, the Conductors, and the Firemen offer insurance in relatively large amounts, only a small per cent. of the membership take out certificates for the larger amounts. On June 30, 1904, of the 54,434 Firemen, 43,228 carried $1500 certificates, while only 717 carried $2000 certificates, and 824, $3000 certificates;[1] on November 1, 1904, of the 41,124 engineers, 24,187 carried $1500, and 10,337 and 1602 carried $3000 and $4500 respectively.[2] In each of these organizations the $1500 certificates are thus in greatest demand. While the rule restricting the members over forty-five undoubtedly lessens the number of policies for larger amounts, it is evident that the great majority of members in the railway organizations do not care to insure for more than $1500. However, the Letter Carriers are a noted exception to this. From the inception of this benefit association in 1891, to the amendment of the constitution in 1898, the members had choice of $1500 or $3000. From the amendment of this constitution to the adoption of the new rates in September, 1905, the association issued $1000, $2000, and $3000 certificates. But with

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(1) "Report of W. S. Carter, Grand Secretary-Treasurer, June 30, 1904." p.

January 1, 1906 the $1500 certificate was again added to the list. The report of the chief collector for December 1, 1905, shows that out of 5284 insurance certificates in force, there were 473 $1000 certificates, 386 $1500 certificates, 541 $2000 certificates, and 3884 $3000 certificates.(1) The influence of the higher wages of the Engineers is seen in the relatively large number of policies for higher amounts. In general, for these reasons, the minimum amounts are more significant than the maximum as indications of the size of the ordinary policy.

The amount of the insurance paid by the Letter-Carriers' Mutual Benefit Association requires further study. Under a unique system, known as the "Post Mortum Deduction" scheme, a member may or may not at death be entitled to the face value of his insurance certificate. By this law there is charged against every certificate, from date of issue, fifteen per cent. of its face value. Accordingly, the actual value of a certificate at date of issue is fifteen per cent. less than its face value plus the amount of one assessment, and the value of a certificate does not become equal to its face value until the member has paid assessments equal to fifteen per cent. of the face amount. The insurance certificates at death of the insured are, there-

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(1) "The Postal Record" vol. 19, p. 10. (1906)

fore worth the following: a $3000 certificate is worth $2550; a $2000 certificate, $1700; a $1500 certificate, $1275; a $1000 certificate, $850, together with the total amount of all assessments the member may have paid into the benefit fund, provided, however, the amount of the insurance paid shall not exceed the face value of the certificate held.[1] The provisions of this law became effective January 1, 1900 and the deductions up to July 1, 1906 have amounted to $60,048.09.[2]

Entrance into these labor organizations is voluntary; nevertheless, that latent coercion possessed by a well-organized body of union men is brought to bear upon the non-union men and usually induces them to join. The advantage of compulsory insurance as a means both of increasing the membership of the brotherhoods and of securing identity of interest within the organization was not fully recognized in the early development of the insurance departments, consequently, entrance into the insurance departments of these organizations was originally optional. The Brotherhood of Locomotive Firemen first adopted compulsory insurance at the fourth annual convention in 1878.[3] The Brother-

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(1) Letter-Carriers' "Constitution, 1904" (Washington, 1904), pp. 67-68.
(2) "The Postal Record", vol. 14, p.4; vol. 19, p. 236.
(3) Journal, vol. 21, p. 181.

hood of Railroad Trainmen next adopted a similar feature in 1888. Although the Engineers and the Conductors did not succeed in enforcing compulsory insurance until 1890 and 1891 respectively, during the twenty years preceding its adoption frequent proposals were made by subordinate divisions of both these organizations for the adoption of compulsory features. On different occasions the national conventions considered the wisdom of such proposals, weighing in turn the advisability of such a measure and the ability of the organizations to enforce it. The thorough discussion of the subject among the Engineers and the Conductors undoubtedly prepared the younger organizations for the settlement of this question at an earlier stage in their national development. The Trainmen adopted compulsory insurance in 1888, while the two older organizations were in the midst of their struggle. The Switchmen adopted it in 1892, and, after reorganization, again on October 1, 1901, and the Telegraphers on January 1, 1898.

Only in the Switchmen's Union and in the Brotherhood of Maintenance-of-Way Employes has the operation of the compulsory feature met with interruption. The compulsory feature of the Maintenance-of-Way Employes during the early nineties was repeatedly repealed and readopted. The oppo-

sition to its introduction was due in a large measure to uncertainty as to the number of yearly assessments necessary and also to the fact that many of the members carried insurance in old line companies.(1) The Switchmen's insurance department suffered from the suspension of the national organization from 1894 to 1897, and although the Union had compulsory insurance before its suspension, on reorganization, a voluntary system was adopted, and not until October 1, 1901, did the Union succeed in reestablishing a compulsory system. In all the organizations there is a class of members, called non-beneficiary, who are not eligible to the insurance departments because of partial disability or because of having passed the age limit. The Brotherhood of Locomotive Firemen provides that the non-beneficiary member shall be entitled to all the privileges of the subordinate lodge, but shall not take part in the national convention or in any way participate in the benefits and privileges of the beneficiary department.(2) Similar rules are found in the other brotherhoods. The Trainmen and the Switchmen issue to non-beneficiary members insurance certificates only against death in the sums of $500 and $600 respectively.

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(1) Advance Advocate, vol. 5, p. 485.
(2) "Constitution, amended 1902" (Peoria, n.d.), sec. 163.

The efficiency of compulsory insurance laws in securing and retaining members in the brotherhoods is generally acknowledged among the railway employes. After the member has carried insurance for several years, his financial interests are bound up with the interests of the organization, and his loyalty to the union is increased. From this loyalty flows greater interest in every phase of the brotherhood's work. The operation of compulsory insurance appears to have caused an increase in the membership of the brotherhoods. On January 1, 1890, the date on which compulsory insurance became operative, the membership of the Brotherhood of Locomotive Engineers numbered 7408; on January 1, 1897, it had increased to 18,739, and in May, 1904, to 46,400.(1) On January 1, 1891, the day on which compulsory insurance was inaugurated, the membership of the Order of Railway Conductors numbered 3933; on January 1, 1898, it had increased to 15,807, and again on January 1, 1904, to 31,288. It is noteworthy that during the depression, 1893-1897, those organizations having systems of voluntary insurance suffered far more severely than those enforcing compulsory insurance. Thus, the Telegraphers were almost annihilated, while the Firemen and the Conductors practically maintained their position.

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(1) Journal, vol. 37, p. 446; vol. 18, p. 654.

The cost of insurance per $1000 varies greatly in the different organizations, as may be seen by the following table:(1)

Organization.	Fiscal Year ending	Cost of Insurance per $1000 a Year.
Engineers,	December 31, 1903	$17.80
Conductors	December 31, 1903	16.00
Firemen	June 30, 1904,	12.00
Trainmen	December 31, 1903	18.00
Telegraphers	December 31, 1903	7.20
Switchmen	December 31, 1903	20.00
Maintenance-of-Way Employes,	December 31, 1903	15.00
Letter Carriers		11.88 (2)

The differences in the cost of insurance are the result of several factors. The slight degree of risk in the occupation is largely responsible for the relative cheapness of the Telegraphers' and the Letter Carriers' insurance. More important differences are due to the age grouping of the membership. Thus, the Firemen, whom old-line companies, for the most part, classify as extra-hazardous, furnish insurance against death or disability, at $12 per

(1) These amounts have been furnished by the grand secretary-treasurer of the several brotherhoods, except those for the Telegraphers and the Maintenance-of-Way Employes, which have been taken from the 1903 Constitutions and represent the amount of the regular monthly assessment.
(2) At 35 years of age.

$1000. The principal reason for this low rate is the rapid change in membership - the old men withdrawing and being replaced by young men. Near the close of the nineties, the cry of "Something must be done to keep the old members in the Brotherhood of Locomotive Firemen" was raised; but it was clearly shown that "the greatest favor a member of the Brotherhood could show the insurance department was to pay his assessments for ten years and then withdraw, permitting a man ten years his junior to take his place." The grand secretary-treasurer states that the membership practically changes every seven years, due to promotions to the position of engineer and to withdrawals of older men for various reasons. The withdrawal of old men conduces to a more favorable age grouping, to a decrease in the death rate, and to a consequent decrease in the cost of insurance. The Switchmen's Union presents an interesting contrast. The Union prescribes no age limit, and higher positions in the service are not so frequently open to the advancement of its members. The result is that the number of older members is relatively greater, and insurance is maintained at a considerably higher cost.

The cost of insurance in the Letter Carriers' benefit department should better be compared with the leading fra-

ternal associations. The following table gives the cost per year of $1000 in six leading fraternal organizations for 1901, given in order of membership:(1)

Name of Society (1901)	Ages for five-year periods.					
	24	30	35	40	45	50
Modern Woodmen of America -	$4.80	5.40	5.40	6.00	6.60	---
A.O.of United Workmen,	7.80	9.72	11.28	13.56	17.28	23.04
Royal Arcanum,	7.84	9.68	11.76	14.40	18.08	22.80
Knights of Maccabees,	7.20	9.60	10.46	12.00	14.40	20.80
I.O. of Foresters,	10.40	13.01	16.56	20.16	24.96	34.80
N of W. Sov. Camp,	4.20	5.40	6.00	7.20	9.00	13.80
Letter Carriers' Association (1818-1902)	4.00	4.48	5.28	6.08	6.88	7.68
Latter Carriers' Association, (1902-1904)	4.56	5.28	6.48	7.68	9.72	11.64
Letter Carriers' Association, (1906)	9.24	10.56	11.88	13.68	18.06	21.96

This table shows rates for the year 1901 of the first six organizations and for 1898-1902, 1902-1904, and 1906 of the Letter Carriers' Association. Those in force during 1892-1902 in comparison with the rates of the first

(1) "The Postal Record" vol. 16, p. 61.

six which were in operation at the same time show that the Letter Carriers' insurance was one of the cheapest, that it was the cheapest for agee under 40 years and that it was second to Modern Woodmen of America for the ages of 40 and 50 inclusive. The rates of Letter Carriers' insurance have more than doubled in less than ten years.

The cheapness of the insurance offered by the railway organizations is better appreciated when compared with that offered by old-line companies. The following table gives the cost of insurance per $1000 in a typical life insurance company for different classes of railway employes at thirty-five years of age:

Class of Employes	Rate per $1000
Engineers	$27.23
Conductors	22.23
Firemen	27.23
Trainmen	27.23
Telegraphers	22.23
Switchmen	27.23
Maintenance-of-Way Employes	27.23
Letter-Carriers	27.30

(1) Letter Carriers, rate given by New England Mutual Life Insurance Company; other classes of employes, rate of Aetna Life Insurance Company.

Assuming that the average age of the members of the railway unions is thirty-five, the cost of insurance at the above rates is more than 30 per cent. higher than the cost for an equal amount in the brotherhoods. These rates, moreover, are for insurance against death only, while the insurance offered by the brotherhoods also provides against total disability.

A better comparison may be made between these trade organizations and the fraternal societies. Fraternal societies are similar in origin to trade unions, in that they are formed for mutual interest, and yet they do not furnish the same degree of protection offered by the labor organizations. Their insurance is based upon mutual protection, but is limited to insurance against death, while that of labor unions is extended to total or permanent disability. With this characteristic difference in mind, it is interesting to note the cost of insurance against death in some leading fraternal societies in comparison with that offered by organized labor. The following table contains data sufficient for some study of the relative importance of the two classes of organizations.

TRADE UNIONS.

Name of Organization.	Membership at close of 1904.	Average membership during 1904.	Amt. Insurance paid during 1904.	Cost of insurance pr. member.	Cost per $1000 insurance.	Death rate per 1000 (2)
Engineers			$ 1,177,750.00		$ 20.00 (1)	
Conductors,	30,171	29023	834,000.00	$ 28.73	16.00	27.58
Firemen,	54.434	51501	804,450.00	15.62	18.00	10.58
Trainmen	71.142	68132	2,690,561.74	39.49	21.66	33.99
Letter Carriers.	5,167	5122	94,849.31	18.51	11.88	

FRATERNAL SOCIETIES.

A.O.U.W.(4)	323,393	348,0[illegible]3	$9,201,734.00	$ 26.44	11.28 (3)	14.01
I.O.D.	225,876	222,6[illegible]4	2,178,400.90	9.78	16.56	7.22
K.M.W.	322,376	331,840	3,387,485.00	10.20	10.46	6.82
M.W.of A.	660,952	660,550	6,690,129.55	10.12	5.40	5.6
R.A.	305,083	294,086	8,155,449.72	13.72	11.76	10.79
S.C.W.of W.	237,252	222,217	3,063,491.25	13.78	6.00	8.05

(1) Approximate cost only of the trade unions.
(2) Death Rate in the Railway Brotherhoods includes disability claims as well as death.
(3) Rate per 1000 in the Fraternal Societies is for the year 1900 and at the age of thirty-five years.
(4) Ancient Order of United Workmen. Ind. Order of Foresters. Knights of the Maccabees of the World. Modern Woodmen of America. Royal Arcanum. Sovereign Camp Woodmen of the World.

With possibly an exception of the Ancient Order of United Workmen, these represent typical fraternal societies. They are the strongest in many ways and in the field of insurance occupy the sphere between the old-line companies and trade unions. They offer insurance per $1000 cheaper than old-line companies or trade unions. For the difference in cost as compared with trade unions two reasons may be assigned: first, because of a lower death rate and secondly, because of the absence of any protection against disability. And yet the age of the organization must not be overlooked. The oldest fraternal societies, the Ancient Order of United Workmen and the Royal Arcanum, show a considerably higher death rate than the younger societies. Among the trade unions the Brotherhood of Locomotive Firemen shows a much lower rate, due largely to frequent promotions to positions of engineers and the filling in with younger men.

The following tables, containing the number of subordinate unions, the number of claims paid, the membership, the amount of insurance paid, etc., per year, in some of these organizations, present something of their growth and of the importance of this class of unions. Sufficient data are not available to present complete tables, and yet these contain important information.

TABLE I.

	I	II	III	IV	V	VI	VII
			Engineers				
Year	No. of Division.	No. of claims	Membership Brotherhood,	Ins. Dept.	Insurance paid	Cash per member	Cost for $1000 insurance to member.
1868		21		1860	31,920.00	$17.16	
1869		26		2192	48234.59	21.09	
1870		36		2647	71,463.00	26.99	
1871		39		3206	119,225.40	37.18	
1872		68		3168	205,951.00	65.01	
1873		24		3340	72,000.00	21.55	
1874		50		3300	147,000.00	44.54	
1875		53	10325	3090	158,721.51	51.36	
1876		16		3080	46,400.00	15.06	
1877		19		2700	50,225.50	18.60	
1878		54		2060	64,816.03	31.47	
1879		30		1860	50,194.77	26.93	
1880		25		2102	52,130.84	24.80	
1881		36		2537	88,670.24	34.95	
1882		44		2843	119,637.74	42.08	
1883		47	16000	3219	140,779.05	43.73	
1884		64		3798	192,500.00	50.52	
1885		71		4201	213,000.00	50.70	
1886		89		4470	261,000.00	58.38	
1887		104		5680	292,500.00	51.47	
1888		111		6967	315.000.00	45.21	$19.00
1889		109	27000	7408	294,000.00	39.68	17.33
1890		146	28000	8479	409,500.00	48.29	23.00
1891		163		10652	420,000.00	39.42	20.00
1892		198	33000	13627	432,000.00	31.70	17.33
1893		216		15877	525,000.00	33.06	16.66
1894		220		16413	409,500.00	24.94	16.66
1895		224		16474	568,500.00	34.50	14.50
1896		240		18739	602,250.00	32.13	15.66
1897		250		20223	613,515.20	30.33	15.50
1898		297	32000	22353	732,312.69	32.76	18.50
1899		326		24354	814,500.00	33.44	18.16
1900		343	33538	26424	810,750.00	30.68	17.50
1901		394	38050	28803	899,250.00	31.22	17.83
1902		433		32290	998,250.00	30.92	17.53
1903		517		37638	1,183,341.15	31.46	19.83
1904					1,177.750.00		
1905	693				1,406,500.00		
1906	708			49328	1,409,864.60	28.58	

TABLE II.

Railway Conductors.

Year	Membership I.	II.	III.	IV.	V.	VI.	VII. (1)
1874							
1875							
1876							
1877							
1878							
1879							
1880							
1881							
1882							
1883							
1884							
1885							
1886							
1887							
1888	236	62	13,224	4676	$155,000.00	$33.36	$14.40
1889	249	63	13,720	4296	157,500.00	36.66	15.20
1890	267	58	14.433	3953	145,000.00	36.86	14.80
1891	298	62	17.906	5844	153,000.00	26.35	15.40
1892	337	102	20,238	9942	239,870.40	24.12	14.00
1893	357	136	20.356	12266	315,629.60	24.91	15.00
1894	363	178	19,827	12704	390,490.00	30.73	16.00
1895	370	158	19,737	13,582	347,000.00	25.54	14.00
1896	373	160	19,810	14,619	339,000.00	23.18	14.00
1897	382	191	20,697	15,807	416,000.00	26.31	14.00
1898	388	235	21,950	17,403	481,000.00	27.63	14.00
1899	395	237	23,253	19,057	505,500.00	26.53	15.00
1900	405	257	24,563	20,592	524,900.00	25.49	16.00
1901	411	300	25,854	22,296	603,000.00	27.04	16.00
1902	424	304	27,899	24,488	603,000.00	24.62	16.00
1903	446	351	31,333	27,875	695,000.00	24.93	16.00
1904		450	33,353	30,171	834,000.00	27.34	16.00
1905	486	424	35,683	31,988	825,000.00	25.79	16.00
1906	498	427	38,430	34,142	1574,000.00	46.10	16.00

(1) Columns numbered in order of page 83.

TABLE III.

Firemen.

Year	No. of Lodges	No. of claims paid	Membership Brother-hood	Ins. Dept.	Insur-ance paid.	Cost per mem-ber.	Cost per $1000 insur-ance.	Donations to members whose clai were not within law
1880	98							
1881	95		3160		$ 12,104	$3.83		
1882	121		5125		23,937	4.67		
1883	178		7888		55,000	6.97		$4.000
1884	238		12246		77,035	6.29		12.000
1885	290		14694		149.960	10.20		10.300
1886	331		16196		227.900	14.07		22,329
1887	384		17047		225,166	13.20		
1888	385		18278		217,500	11.89		25,700
1889			17087		280,150	16.45	16.00	
1890			18657		247,500	13.26	16.00	46,500
1891			22460		359,000	15.97	18.00	
1892	490		25967		399,250	15.37	16.00	28.750
1893	510	299	28681		476,750	16.58	18.00	
1894	519	289	26508		435,467	16.43	16.00	14,500
1895			21408		333,816	15.59	14.00	
1896			22461		319,584	14.22		32,100
1897			24251		313,924	12.94		
1898	543		27039		338,000	12.50		28,400
1899			30748		424.900	13.81		
1900		615	36084		465,672	12.90		52,550
1901	589		39072		553,150	14.15		
1902			43376		579,350	13.35		63,250
1903	630		48568		616,600	12.69		
1904	656		54434		804,450	14.77		65.700
1905			55287		810,250	14.65		
1906			58849		1,220,300	20.75		

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TABLE IV.

Trainmen.

Year	No. of Lodges	No. of claims paid.	Membership Brotherhood.	Membership Ins. Dept.	Insurance paid.	Cost pr. member.	Cost per $1000 insurance to members.
1884			.901	879			
1885		17	4.766	4.703	$ 6,596.82	$ 1.40	$ 16.00
1886		83	7,993	7,914	44,976.63	5.68	21.66
1887		147	8,622	8,476	99,100.00	11.69	16.25
1888		145	11,413	11,209	123,106.25	10.98	16.00
1889		259	13,562	13,322	253,318.00	19.01	21.00
1890		271	14,057	13,837	274,027.25	19.08	22.00
1891		366	20,409	20,198	368,637.05	18.24	21.00
1892							
1893 (1)		1014	28,540	28,219	1014,424.00	35.94	23.00
1894		533	22,357	22,070	590,310.20	26.74	15.83
1895							A 22.50 (3)
1896		772	22,326	21,846	893,407.98	40.89	B 22.50
							C 20.00
1897		923	31,185	28,198	1042,014.44	36.95	A 22.50
1898							B 22.50
							C 20.00
1899							A 22.50
1900		1317	43,196	41,565	1419,830.42	34.15	B 22.50
							C 20.00
1901							
1902		1557	54,963	52,591	1670,790.42	31.78	
1903							
1904			74,539	71,146	2690,561.74	37.95	
1905			(2)				
1906	756		87,000		3187,059.68	36.63	

(1) For 16 months, Sept. 1, 1893, to December 31, 1894, inclusive.
(2) Approximately.
(3) From August 1, 1895 to July 31, 1897, there were three classes of insurance: A. $400; B. $500; C. $1.200 members had option of carrying any or all of them.

TABLE V.

LETTER CARRIERS.

Year.	Membership.	Insurance paid. (1)	Cost for members.
1892	336	$ 195.75	$ 0.58
1893	545	1195.28	2.19
1894		4792.50	
1895	1401	7019.64	5.01
1896	2427	25140.24	10.35
1897	2986	44618.93	15.01
1898	3361	49500.00	14.72
1899	3562	62700.00	17.60
1900	3844	66085.71	17.19
1901	4146	49895.30	12.05
1902	4525	54002.74	11.93
1903	5078	87018.23	17.13
1904	5167	94849.31	18.35
1905	5242	90522.56	17.26
1906	5164	110,438.39	21.38

(1) Postal Record, vol. 19, p. 236 (1906). Post-Mortem deduction since adoption up to July 1, 1906, $60,048.09.

These tables emphasize some of the chief advantages found in trade union insurance systems. In the first place large sums are paid annually to those who, in all probability, would become objects of charity. The cost, to the organizations, per member to pay these sums is in most cases heavy and tends to increase with the age of the union.(1) The actual cost per member per $1000 of insurance is considerably smaller than the rate in old-line insurance companies. The existence of these insurance funds adds materially to the protective strength of the organization in that a greater spirit of loyalty to union principles has developed.

The primary feature of the insurance features of these organizations is to obtain for the members and their families a higher degree of economic security. The two great economic contingencies against which the railway organizations provide insurance are, first, the loss to a family in consequence of the death of an income-earning member, and second, the economic hardship involved in shifting from one industry to another made necessary by certain se-

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(1) This is applicable only to unions operating under similar conditions, and therefore the Brotherhood of Locomotive Engineers and the Order of Railway Conductors must be excepted for the periods prior to 1890 and 1891 respectively, since prior to these dates carrying insurance was voluntary on the part of the members.

vere physical accidents. Insurance paid to the totally disabled employe, or to the family of a deceased member, is frequently the means of maintaining the standard of living of the unfortunate family. The risks to which the railroad employe is exposed are due to the nature of the trade, the negligence of a fellow workman, or the negligence of the employers. Compensation for only the last class is given by the law. Against the other two kinds of accident, the railway employe must himself make provision, and this provision is ample and surest when made by insurance. The organizations, as we have seen, have never entirely subordinated the idea of benevolence to the principles of business. In the early years of its history, each grand convention set aside large sums for charitable payments. Before the adoption and satisfactory operation of the Engineers' insurance system, it is estimated that eight-tenths of the husbands and fathers of those who applied for charity, were uninsured.(1) Purely charitable relief was found inadequate and the present systems represent a compromise between charity and business.

The insurance features have further been the means of securing and retaining members and thus building up the

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(1) Journal, vol. 22, p. 33.

railway organizations as factors in collective bargaining. The power of the brotherhoods to secure satisfactory agreements with their employers is largely measured by the strength of the organizations, and that strength is usually in direct proportion to the development of their insurance systems. Thus, not only is insurance a prime support in the collective bargaining of the unions; but it insures control in the exercise of that function. The infrequency of railroad strikes may be attributed to the almost perfect control of the head officials of the brotherhoods over their membership.

Chapter III.

DEATH AND DISABILITY BENEFITS.

In the preceding chapter we have endeavored to present the benevolent side of American trade unions as is seen in what is technically termed insurance in contra-distinction to the more general idea, beneficiary features, as has been developed in the larger per cent. of unions that furnish precuniary aid to their members. While the systems of insurance above discussed have developed in specialized forms of organized labor, which, because of their nature and of the kind of protection offered their members, may properly be called fraternal organizations, it is among that large class of representative forms of trade unions that we must seek the most perfect types of trade union benefits. Among these organization systems of death or disability, sick, and out-of-work or travelling benefits have been developed comparable in a large measure to their protective features. The order in which these benefits have been founded and the degree to which they have been perfected have been determined by the needs of the members and the influence of their trade conditions.

Naturally, therefore, one of the first and the most important benefits founded was that against death and dis-

ability. It is true that protection against death and disability have not always been concurrent in origin and development. However, the two ideas are clearly associated and, furthermore, in the most progressive of modern day labor unions, they are synonymous terms. Their importance is evidenced by their early establishment and permanent existence in many of the oldest and the most firmly established trade organizations. And yet, only about fifty per cent. of American unions have inaugurated and successfully maintained this benefit. Reference to the report of Secretary Morrison, of the American Federation of Labor to the twenty-fourth annual Convention, November, 1904, shows that out of a total of one hundred and seventeen international organizations, affiliated with the American Federation of Labor, fifty-three report for the year national death or disability benefits.(1) In addition to these at least ten other unions pay this benefit.

The majority of these unions, however, pay only death benefits. But many prominent unions pay the same amount in case of total or permanent disability as in case of death. Others pay a benefit in case of the death of a member's wife and a few have provided for superannuation benefits for those members who have become disabled by old age from

following their trades. Those unions that have provided protection against disability as well as against death are: United Brotherhood of Carpenters and Joiners, Iron Molders' Union, Brotherhood of Painters, Amalgamated Wood-Workers, Association of Machinists, United Metal Workers, Amalgamated Glass-Workers' Association and Boot and Shoe Workers. Those unions that pay a death benefit and make no provision for total or permanent disability are: Deutsch-Amerikanischen Typographia, Cigar-Workers' Union, International Typographical Union, United Association of Journeymen Plumbers, etc.(1) Those that provide aid for their members who may become, through "old age or infirmity, incapacitated" from following their trade are the Granite Cutters, Plumbers, Pattern Makers, Machinists, the Cigar-Makers', the Typographia, and the Jewelry Workers.

While with the average trade union man the benevolent spirit and the union enthusiasm may be considered synchronous in origin. it is worthy of notice that national death benefits were not inaugurated and placed in operation at the same time with the protective features. The following table gives the year in which the principal national unions were organized, together with the date and order of

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Note, next page.

Name of Union.	Date of National Organization.	Date of Introduction of Benefit System. (a)	Order of Introduction of Benefit System.
Typographical Union,	1850	1891	11
Hatters' Association,	1853	1887	6
Stone Cutters' Ass'n.	1853	1892	13
Glass Bottle Blowers.	1857	1891	12
Iron Molders' Union,	1859	1870	2
Cigar Makers' Union,	1864	1867	1
Typographia,	1873	1884	5
Iron and Steel Workers,	1876	1903	22
Granite Cutters	1877	1877	3
Carpenters' and Joiners' Brotherhood,	1881	1882	4
Tailor's Union,	1884	1890	8
Bakers' Union,	1886	----	
Painters' Brotherhood,	1887	1887	7
Patters Makers' League,	1887	1898	16
Barbers' Union,	1887	1895	15
Plumbers' Association,	1889	1903	23
Machinists' Association,	1889	1893	14
Metal Polishers' Union.	1890	1890	9
Wood-Workers.	1890	1890	10
Garment Workers' Union,	1891	1902	21
Boot and Shoe Workers' Union,	1895	1898	18
Tobacco Workers' Union,	1895	1896	17
Leather Workers on Horse Goods,	1896	1898	19
Piano and Organ Workers,	1898	1898	20
Metal Workers, United.	1900	1900	24

(a) The dates given indicate the years in which the unions first succeeded in adopting national benefits of some kind, and not the dates on which successful systems were inaugurated. For example, the Cigar Makers' International Union had a system of travelling loans prior to 1873 and in this year adopted an endowment plan, but these were unsuccessful and the present permanent system was not adopted until 1880. Vide Journal and Program of Cigar-Makers' International Union. Twentieth session, Milwaukee, Sept. 25,1893 (Chicago, n.d.), p.63.

(b) Consolidation in 1895 of "Lasters' Protective Union", organized 1879, and Boot and Shoe Makers' Union, organized 1887.

introduction of national benefit systems.

(1)

Bakers' and Confectioners' International Union,
Barbers' International Union,
Cigar-Makers' Union,
Elastic Goring Weavers' Association,
Garment Workers', United,
Glass Bottle-Blowers' Association,
Granite Cutters' Association,
Hatters', United,
Hotel and Restaurant Employes'
Iron, Steel and Tin Workers' Association,
Jewelry Workers' Union,
Leather Workers on Horse Goods, Brotherhood of
Lithographers' Association,
Metal Polishers' Union,
Pattern-Makers' League,
Piano and Organ Workers' Union,
Plumbers' Association,
Printing Pressmen's Union,
Retail Clerks' Association,
Saw Smiths' Union,
Stone-Cutters' Association,
Stove Mounters' Union,
Street Railway Employes' Association,
Tailors' Union,
Tobacco Workers' Union,
Typographical Union,
Typographia, Deutsch-Amerikanischen.
Watch-Case Engravers' Association,
Wood, Wire and

(1) Complete list of unions that pay death benefits only.

This table shows that the oldest unions have not, in every case, taken precedence in the establishment of national systems of benefits. Where the protective policy was the chief or sole purpose of existence and where it was given pre-eminence over the benevolent, without due consideration for the latter's place in promoting the former, the ultimate efficiency of the benefit departments of some of the oldest unions and consequently their influence as collective agents have been hindered materially. The Typographical Union, organized in 1850, the Hatters' Association and the Stone Cutters' Association, each in 1853, and the Glass Bottle-Blowers' in 1857 were slow to inaugurate national benefits. On the other hand, the Typographia, the Granite Citters, the Carpenters, and the Painters, of much later organization - varying from twenty-five to thirty years - preceded them by twenty to forty years. In fact, in many cases the younger unions have taken the initiative in the establishment of permanent national systems of benefits.

The explanation of this is not far to seek. It is dependent upon the nature of the craft and the character of the members thereof. In a word it depends upon the stage of advancement of the members at large as to the means ac-

tually necessary to make the individual an intelligent unionist and through him to strengthen the national body in power and influence as a collective agency. Many of the first unions to organize failed to recognize the essential factors that go to make the strongest centralized government. They regarded mutual insurance, or trade union benefits, as an object in itself rather than a means to their real object, the improvement of the conditions of employment for their members. Again, the nature of the trade and the relations of the union to organized or unorganized employers are other factors that have entered in determining the introduction and successful operation of beneficiary departments. In these trades of little centralization of government the individual members was early to learn the real significance and the importance of adequate forms of relief. Through the local body the membership at large was urged to advocate the national idea of benefits as a means of increasing the collective force of the national body. So also in those trades in which the employer was inefficiently organized the local body had ample opportunity to study locally the place substantial national benefits were destined to occupy as a factor in increasing the collective power of the national body. Hence the transition from

local benefits to national was the most natural result. The order of the unions chronologically arranged, therefore with reference to their organization does not conform to that with reference to the adoption of benefit systems.

Before discussing the systems of death and disability benefits some brief historical summary of the chief feature of the principal union will give the reader some conception of the origin, growth, and size from a protective point of view. This is the more important since the benevolent feature of many of the unions have added materially to their protective policies. The following table contains some of principal phases in tabular form, in the development of the leading organizations.

Name of Organization	Order of organizing national Union I	Order of introducing national benefits II	Changes in name of organization. III	Principal steps in founding benefit systems. IV	Proportion of union dues spent in benefit fund. V	Growth in membership VI	Amount of benefits paid since organization. VII.
Cigar Makers' International Union	Sixth (1864)	First (1867)	(1864) National Cigar Makers' Union. (1867) Cigar makers' International Union of America	(1867) Traveling loan adopted (1873) An endowment as substitute for loaning system (1879) Loan system permanently established (1880) Sick and death benefits introduced	No division of funds	984 (1865) 5800 (1869) 2729 (1879) 17555 (1889) 28994 (1899) 45684 (1905)	Traveling loans (1880-1905) $991,777.98 — o — Sick (1881-1905) $2,201,266.43 — o — Death (1881-1905) $1,514,525.99 — o — Out-of-Work (1889-1905) $1,045,866.11 — o — Grand total $6,845,540.66

Name of Organization	I	II	III	IV	V	VI	VII
Iron Molders' Union of North America.	Fifth (1859)	Second (1870)	(1859) National Union of Iron Molders (1861) Iron Molders' Union of America. (1863) Iron Molders International Union (1874) Iron Molders' Union of North America.	(1870-1882) A voluntary Benficial Association. (1874-1878) Effort to found superannuated benefit. (1879) $100 death benefit adopted; (1880) extended to disability. (1895) National sick benefit established in operation January 1, 1896 (1895) National out-of-work relief plan adopted, in operation September 1, 1897. (1899) Graduated death and disability benefit adopted.	2570 (1878) 3070 (1880) 3570 (1882) 4070 (1886) 1670 (1890-1900)	7366 (1860) 4532 (1870) 20920 (1890) 41,189 (1900) 76,416 (1903)	Up to June 30 1905 —o— Death and disability $437,607.85 —o— Sick $999,803.25 —o— Out-of-work 208,605 stamps issue in exemption of dues, an equivalent of $52,142.25

Name of Organization	I	II	III	IV	V	VI	VII
Granite Cutters' Association	Ninth (1877)	Third (1877)	(1877) Granite Cutters' International Union of United States and British Provinces of America (1880) Granite Cutters' National Union of United States (1905) Granite Cutters' International Association of America	(1877) Compulsory death and voluntary disability benefit founded. (1878) Voluntary Life Benefit Fund established and fixed disability changed to fluctuating amount (1905) Graduated death benefit inaugurated.	No division of funds.	8000 (1890) 7000 (1894) 9000 (1897) 8000 (1901) 13500 (1905)	January 1. 1906 — o — Death and Disability $153,764.18.
Brotherhood of Carpenters and Joiners	Tenth (1881)	Fourth	none	Begun concurrently with protective organization	No division of funds	3293 (1883) 21423 (1886) 53769 (1890) 251152 (1895) 68463 (1900) 170192 (1906)	Up to June 30 1906 — o — Sick Benefits (Local) $1,800,000.00 — o — Death & Disability (National) $1,512,343.20

Name of Organization	I	II	III	IV	V	VI	VII
Deutsch-Amerikanischen Typographia	Seventh (1873)	Fifth (1884)	(1873-1894) National Union German-American Printers (1894) Became the German Branch of the International Typographical Union.	(1873-1884) Local Unions paid benefits. (1884) National System adopted.	Weekly dues 45 cents, of which 50 cents for month goes to General Secretary-Treasurer. Thirty-five cents of this amount he pays to Typographical Union. All other funds are held by local unions subject to order of Gen'l Secty-Treas. for benefit purposes	559 (1885) 1382 (1894) 1044 (1900) 974 (1906)	Upto June 30, 1906 — o — Traveling Loans $7909.59 — o — Sick $100,080.02 — o — Death $63,977.01 — o — Out-of-Work $145,826.91 — o — Grand total $317,793.53
Brotherhood of Painters	Thirteenth (1887)	Seventh (1887)	(1887) Brotherhood of Painters and Decorators of America (1899) Brotherhood of Painters, Decorators, and Paper-hangers of America	(1887) Death and disability benefit founded. Later efforts made to found a Mutual Life Insurance Department.	40% of all general funds	600 (1887) 7000 (1888) 20,000 (1894) 8400 (1896) 28875 (1901) 68000 (1903) 58000 (1905)	Upto November 1 1906 — o — Death & Disability $397,750.36.

Name of Organization	I	II	III	IV	V	VI	VII
International Typographical Union	First (1850)	Eleventh (1891)	(1850) The National Typographical Union (1870) The International Typographical Union	(1850-1891) Local Organizations alone pay benefits (1891) National benefit System adopted	7½ cents of the 35 cents monthly dues	25,165 (1891) 31,379 (1894) 28,097 (1897) 32,105 (1900) 46,165 (1904)	Up to June 30 1904. —o— Death. $328,305
Glass Bottle Blowers' Association	Fourth (1887)	Twenty-fifth (1891)	(1887) Grand Union (1886) National League (1890) National Association 1891 United Green Glass Workers' Association of United States & Canada. 1896) Glass Bottle Blowers' Association of United States and Canada.	(1891) Benefit system inaugurated, a fluctuating amount paid (1892) Benefit changed to fixed amount.	Death claims paid by pro-rata assessments	1679 (1890) 2608 (1892) 3000 (1898) 7800 (1905)	July 1, 1906 —o— Death. $349,385.20
Boot and Shoe Workers' Union	Twenty-first (1895)	Eighteenth (1898)	(1879) Lasters' Protective Union (1887) Boot & Shoe Workers' International Union (1895) The two above combined into Boot and Shoe Workers Union.	(1879) Efforts made to establish system (1899) Present system adopted.	30% of all general funds	12000 (1895) 28823 (1902) 29990 (1905)	(1900-1905) —o— Sick & Death $325,284.24

The introduction of systems of death or disability benefits by American Unions was not a spontaneous development, nor was it the natural and inevitable result of first attempts. Some of the oldest and best organized unions spent many years in educating their members to the need and importance of these features and in preparing the way for the inauguration of satisfactory, workable systems. Table above (page) shows that the Typographical Union was without a system for forty-one years, the Stone-Cutters' Association thirty-nine years, the Hatters' Association and the Glass Bottle-Blowers' thirty-four years, the Iron, Steel, and Tin Workers' twenty-seven years, the Tailors' sixteen years, the Plumbers fifteen years, and the Iron Molders and the Deutsch-Amerikanischen Typographia eleven years, while the Cigar Makers, as early as 1867, three years after perfecting their national organization, made provision for members travelling in search of employment, and the Granite Cutters, the Carpenters and Joiners, the Painters, the Boot and Shoe Workers, and others adopted benefit laws synchronously with the organization of the national unions, or within a few years thereafter.

The experience of the Iron Molders' Union in its efforts to establish a system of benefits and to formulate

rules of administration sufficient to guarantee its success is a typical example of trade union activities in this field.

During the first eleven years of the unions' history the benevolent features were not without their due consideration. As early as the seventh national Convention, January 3, 1866, President Sylvis insisted that the benevolent idea had already been neglected too long and that time was ripe for its serious consideration; and again, in December of the same year the editor of the Iron Molders' Journal expresses the same idea. Fearing radical innovations, lest the protective features of the Union should be endangered, these officials prepared and advocated very conservative changes. Consequently at this session in New York City, the convention appointed a committee to consider the subject and to report to the next session.(1) All efforts proved unsuccessful until the tenth session at Philadelphia, July, 1870. At this time the Convention founded the "Iron Molders' Beneficial Association", which provided for a voluntary death and disability benefit, payable to journeymen molders in good standing in any local union within the jurisdiction of the Iron Molders' Union. The laws of this Association, providing for a fluctuating death or disability benefit equal to 40 cents per member of the Associa-

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(1) Journal, vol. 1, p. 275, 309.

tion, went into effect October 1, 1870.(1)

The early attempts of the Cigar-Makers were dissimilar to those of the Iron Molders. In the first place, the Cigar Makers paid greater attention to the travelling and out-of-work members. Previous to the Detroit Convention, September, 1873, the system of benefits included only travelling loans. At this session the Convention substituted an Endowment plan for the previously unsuccessful loan system. Under this new law each local union on the death of a member, sent to the union in which the death occurred, the sum of ten cents per member in aid of the widow, orphans, or most dependent relative. This temporary assistance soon failed and the Union was without a national benefit. However the basic principles of successful national laws were in the mean time being laid by some of the more prominent local unions. The most important of these, Nos. 144, of New York City, 39, of New Haven, and 87, of Brooklyn, were successfully operating sick and death benefits, and upon them the establishment of a permanent national system seemed to rest. Local union, No. 144, with Mr. Samuel Gompers as leader, in 1876 proposed a national benefit, and one year later local Union, No. 39, offered a similar proposi-

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(1) Journal, vol. 7, March, 1871.

tion, but both were unsuccessful. However, encouraged by the success of local Union, No. 87, in operating a $50 funeral benefit, and by the repeated efforts of No. 144, the National Union succeeded at its twelfth convention, 1879, in adopting a national sick and death benefit clause. This was submitted to thelocal unions for consideration until ta session of 1880, when it was formally inaugurated and the present system of benefits became operative.(1)

The International Typographical Union remained wholly passive, nationally speaking, a greater number of years than any other union both in respect to attempts to nationalize funeral benefits and actual adoption of them. For thirty years no attempts were made to a national system and not for forty years did the adoption of a benefit system succeed. However, during this period the national Convention encouraged local benefits by passage of resolutions recommending local unions to provide funeral benefits. At the nineteenth session in 1871, the twentieth in 1872, the thirty-second in 1884, and the thirty-fifth in 1887, resolutions were passed recommending that "all subordinate unions adopt mortuary and benefit clauses in their respective

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(1) Cigar Makers' Journal, vol. 4, June 10, 1879, p. 1; vol. 6, Nov., 1880, p. 1, January 10, 1881, p. 3.

constitutions as a means of securing and retaining permanent interest of members of the fraternity."[1] In 1883, thirty-five years after organization, the National Convention appointed a committee to consider and to report, at the next session, a plan for paying death benefits. This committee reported a scheme for paying a full rate benefit of $1000, and half-rate benefit of $500. This failed in spite of numerous appeals for the union to emulate the Deutsch-Amerikanischen Typographia.[2] However, seven years later, June, 1891, by encouraging reports from many subordinate unions in which successful funeral benefits, ranging in amounts from $25 to $300, were being operated, the national Convention adopted a national funeral benefit of $50.[3]

The history of the Boot and Shoe Workers' Union and that of the Journeymen Plumbers show corresponding activity of the local unions. After the amalgamation in 1895 of the two divisions of the shoe industry the beneficiary feature received much attention. During 1896 and 1897 the condi-

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(1) Procceedings of the 19th annual session, Balto., 1871 (Phil., 1871); Proceedings of the 20th annual session, Richmond, 1871, (Cinn., 1872); Proceedings of the 32nd, annual session, New Orleans, 1884 (Washington, 1884); Proceedings of the 35th annual session, Buffalo, 1887 (Chicago, 1887);
(2) Proc. of the 32nd annual session, New Orleans, 1884, pp. 36-37, 107-108 (Washington, 1884).
(3) Constitution, 1894, Art. 13, (Indianapolis, 1891).

tion of the boot and shoe trade showed the necessity of a system of benefits, and after a proposal of a national law by a local union during 1846 andits discussion in the Convention of that year, the question was brought more definitely before the Convention of 1897. The committee on "Dues, assessments and Benefits" reported a plan based on an increase of dues. This failed and not until the Rochester Convention, 1898, did President Tobin succeed in inaugurating the present system.(1) In the Plumbers' Association nothing was done for ten years towards a national system. But for many years some of the leading local unions had paid death and sick benefits,(2) and, hence, influenced by local activity, the national union began to advocate national benefits similar to those of the Amalgamated Carpenters, the Iron Molders, and the Cigar Makers. At the twelfth convention, 1901, President Kelly and the General Secretary-Treasurer urged the adoption of death and sick benefits. The Secretary held that the demands for aid in case of sickness, deaths, and strikes, and also the fact that all progressive trade unions were maintaining similar

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(1) Boot and Shoe Workers' Proceedings, 1896, p.42-48; Proceedings of Fourth Convention, of Rochester, N.Y., 1899, (Lynn, n.d.),

(2) Plumbers' Official Journal, vol. 1., June, 1899, August, 1899 (Chicago).

benefits would eventually force the Plumbers to do the same in order to avoid discouragements, to restore loyalty, and to regain their lost membership.(1) Despite the efforts of the chief officials and urgent demands from local unions the 1901 Convention defeated the proposed plan. However, the idea was not abandoned; but with the success of the Cigar Makers, the Iron Molders, and the Boot and Shoe Workers, the movement at the Omaha Convention, August, 1902, received renewed impetus from the report of the nationalization committee. This report, outlining a policy for death, sick and superannuation benefits, was adopted and the present system of benefits became operative January 1, 1903.(2)

In the Pattern Makers' League, the great difficulty of small membership had to be faced, and not until 1896 did the Convention adopt a national benefit. This, however, was defeated by referendum vote. Two years later, at the St. Louis Convention, June, 1898, a system of high dues was adopted and a national benefit law introduced. These laws conflicted with the state insurance laws and the Executive Board was compelled to modify them; however, they formed

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(1) Plumbers' Journal, vol. 4, No. 1, pp. 25, 29-30, October, 1901 (Chicago).
(2) Ibid, vol. 4, no. 2, p. 5 (1901); vol. 7, no. 12, p. 9 (1904); Constitution of 1902 (Chicago, n.d.), Art.30.

the basis of a system which later conventions, 1900 and 1902, have developed.(1)

Just as all labor organizations have not shown the same readiness in providing benefit systems, so we find different means devised for rendering assistance to their members. This is particularly noticeable in the period prior to the adoption of national benefits. The two principal substitutes for, or methods of supplying the place now occupied by national benefits, were, first, the maintenance of benefits by subordinate unions and secondly, voluntary contributions made by national conventions, or by individual subordinate unions. Only the latter of these, however, need occupy our attention at this point. The system of voluntary contributions to a member's family in financial need is based purely upon sympathetic grounds, and the abuses to which it might lead are dependent upon the applicant's honesty or dishonesty and his ability to deceive his fellow-laborers. Because of these characteristics the amounts different applicants received have varied very widely, and out of this have arisen unavoidable dissatisfactions. However, in case donations were made as a mark of esteem, or as an aid in dire calamities, this ob-

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(1) Pattern Makers' Journal, vol. 11, June, 1902, p. 18 (New York).

jectionable feature is largely eliminated. The voluntary donation to the wife of a deceased ex-secretary-treasurer, made by the Typographical Union in 1866, and the $10,000 received by the local typographical union of Chicago after the fire of 1871, represent two typical cases of voluntary support.(1) They, however, and especially the latter, represent the means of doing maximum good or evil according as the distribution is made upon scientific or unscientific principles. Such methods, it is sufficient to say, are not adequate to the needs of American trade unions and hence are not generally in use among modern unions.

In the effort to found benevolent systems many unions undertook to operate benefit laws upon unscientific principles. Consequently, two great obstacles to successful administration naturally arose early in the period of development. In the first place, sufficient funds could not be secured and secondly, dishonest and unloyal members could not be eliminated. Beneficiary funds must be increased with the growing needs of the benefit departments, but in many cases it is impossible to make this increase proportional to their actual demands. The leaders of the unions failed to discover what the organization could bear, and

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(1) Proceedings of the fourteenth convention of the Typographical Union, p. 27, June, 1866; Twentieth proceedings, p. 26, Richmond, 1872 (Cinn. 1872).

were forced to levy their taxes largely by experiment. Under the first benefit law of the Typographical Union funds were accumulated by setting aside five cents per member of the monthly tax. This was an important advance in the method of creating a fund and of offering solid inducement to printers to join the union, but the apportionment was inadequate.(1) Consequently, the secretary's report for the first six months showed a deficit of $2336.58. This deficit increased until the necessary increase in the monthly tax was made.(2) Among the Brotherhood of Carpenters and Joiners similar conditions prevailed. As late as 1892 - ten years after introduction of funeral benefits - the apportionment to the death fund was still insufficient and the General Secretary had to draw from other funds or levy special assessments. This state of affairs continued, and as late as 1896 it was necessary for the Secretary to borrow $7000 from the protective fund and $12000 from the organizing fund.(3) In both of these unions their burdens were increased by the industrial depression of that period.

An even greater obstacle in the way of successful operations of benefit laws has been the presence of corrupt

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(1) Typographical Journal, vol. 3, No. 1, p. 6, July, 1891 Constitution, 1891, (Indianapolis, 1891), Art. 13.
(2) Proceedings, 41st annual session, 1893,pp. 13,32 , Chicago, 1893.
(3) The Carpenter,vol.16 (October,1896). Special assess-

(over)

officials. Mal-administration, added to inefficient laws for the protection of funds against fraudulent officials, presented a complex problem to the unions. Fraudulent attempts are no uncommon occurrence among local unions, though a large per cent. of the claims rejected by the national officials was filed through inability, on the part of local officials, to apply the laws of the benefit departments to the case in question. More or less practice of filing fraudulent and illegal claims is found among all unions. Data are inaccessible for a thorough analysis of this point. But the following table contains sufficient statistics on one organization alone, the Brotherhood of Carpenters and Joiners, to give some idea of the responsibilities developing upon the national officials in their efforts to maintain a system of death and disability benefits.

Number of death and disability claims filed, rejected, and paid.

Year ending June 30.	Whole numbers filed	Number rejected	Number paid	Pr.ct. rejected of No. filed.	Value of rejected claims
1886-1888 (1)	450	139	311	30.9	$ 15,225
1888-1890	604	126	478	20.8	14,925
1890-1892	1112	118	994	10.6	10,950
1892-1894	1184	184	1000	15.5	24,455
1894-1896	787	99	688	12.5	14.275
1896-1898	715	80	635	11.2	11,050
1898-1900			807		
1900-1902			1519		
1902-1904	3260	435	2825	13.3	
1904-1906	3469	400	3069	11.5	(Note (1) on next page)

While this table shows there is a strong tendency on the part of a subordinate union either to mulch the national treasury or an unwillingness to assume responsibility of rejecting doubtful claims, it is evident that revision of the constitution in 1886 and 1890 has effected many changes in administration. The percentage of rejected claims has decreased from 30.9 during 1886-1888, or an everage of 25.8 during 1886-1890, to an average of 12.2 during 1890-1898 and 12.4 during 1902-1904. Two factors have without doubt entered in this reduction: first, greater harmony in administration between local and national officials and, secondly, a gradual raising in the standard of individual conception of what constitutes a morally and legally just claim.

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ments were levied as follows:- March 17, 1892, 25 cents per member, August 23, 1892, 20 cents, Nov. 1, 1892, 20 cents, Feb. 11, 1895, 30 cents.

(1) Note on Table, (Page)

Report of General Secretary to the National Conventions:

Fifth Proceedings	1888, p.17,	Philadelphia,	1888.
Sixth "	1890, p.18,	"	1890
Seventh "	1892, p.19	"	1892
Eighth "	1894, p.23	Indianapolis,	1894
Ninth "	1896, p.25	Cleveland,	1896
Tenth "	1898, p.26-27	New York,	1898.

Report of General Secretary, July 1, 1904, to June 30, 1906, pp. 76-79 (Indianapolis, n.d.).

Unsatisfactory apportionment of the funds to the funeral benefits and corrupt administration excited much opposition. In some cases the unions have successfully coped with these objections; in others, all their efforts have failed. In each case the degree to which the union man has been educated to the true importance of a strong system of benefits as a factor in collective bargaining has been a determining element in solving the question in point. The complaints against the assessments in the Iron Molders' Beneficial Association in its early days were founded on nothing else than the lack of its members' knowledge concerning the principles of trade union benefits. In this the first and only attempt of the Iron Molders to maintain benefits on pro rata assessment plan, the inexperienced member, totally ignorant of the essential characteristics of successful beneficiary institutions, was unwilling to meet the regular assessments.

To him assessments were levied too frequently - not that he was unable to pay them, but rather because he was untrained as to their importance. The records of the Association for the first two and a half years - up to May 1, 1873,- show that eighteen assessments for death and one for disability were levied - an average of one for every seven

weeks. In other words, the oldest member, the holder of Card No. 1, had paid on July 1, 1873, all assessments to date - an aggregate of $10.50 or an average of $4 per year.(1) This status of affairs forewarned the national officials and they undertook to adjust matters by a raise in the initiation fee, by an increase of death or disability benefit, and by an age restriction for admittance.(2) These changes failed of satisfactory results and in 1882 the National Convention abolished the Association.(3) Thus the short-lived institution ended, overthrown by a dissatisfied membership and an exhausted treasury, due in part to increasing assessments within the Association and in part to the establishment of a uniform $100 death benefit by the Union.(4)

The adoption of a uniform death benefit in 1878 and its extension to permanent disability in 1882, failed to remedy matters. There was a strong desire to abandon the fixed amount idea and - - - - to return to the original fluctuating benefit. The source of much of this discon-

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(1) Journal, March, 1873. At this time the Association numbered 1510 or about 1/5 of the Union.
(2) In 1874 initiation fee raised from $1 to $2; in 1878, increased benefit from 40 cents to 45 cents per member, and no admittance after 50 years of age.
(3) Const. of 1878 Nov. 17, Journal, Aug., 1876.
(4) Journal, vol. 26, May, 1890, p.2.

tent lay in unsatisfactorily tested laws, due largely to the undefined scope andmeaning of the disability idea and inefficient laws for its operation. All efforts to operate sarisfactorily failed; the Convention of 1890 was confronted with the problem of adjusting the benefits laws to the demands of the members. They fought for the removal of one fundamentally unsound and thoroughly unjust principle: that of restoring a suspended member, six months after reinstatement, to full rights and privileges of death and disability. They wished a graduated benefit proportional to the term of continuous membership. They held that it was unjust to pay the members of one year's standing the same amount in case of death or disability as the member of ten or twenty years' standing and that all such payments were "premiums on suspensions".

Although unsatisfactory results were present to a large extent during the experimental stages, many favorable conditions appeared. In some cases there were immediate increases in membership and renewed interest in union affairs; while on the other hand, some showed, for the time being, rapid decline in membership. The prevailing tendency , however, among the largest and the most thoroughly organized unions was a more rapid increase after the adoption

of benefit laws. This was especially true in case of the Iron Molders, Cigar Makers, Typographical Union, Brotherhood of Carpenters and Joiners; while with the Boot and Shoe Workers' Union the opposite was true, in a measure. This, however, was temporary and at the end of two years the Union had grown from 4000 to 19000 members, and from an exhausted treasury to a surplus of $35,000.(1) The success of the death benefit insured beyond doubt its continued stability, and yet the officials opposed every change advisedly lest they lose the advance already secured. They opposed any increase or extension of the benefits to a system of insurance; and maintained that "only such benefits should be carried as would tend to offer incentive to the members to keep in good standing, to provide discipline, and to make the labor policy of the Union successful."(2)

Death and disability benefits are closely related in those unions whose members, from the nature of their occupation, are subjected to more or less danger of becoming totally or permanently disabled from following their trade. For this reason those unions whose members are classed as

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(1) "The Boot and Shoe Worker", vol. 1, June, 1900, p. 7; Plumbers' Journal, vol. 4, No. 3, p. 9, (December, 1901).
(2) "The Boot and Shoe Worker", vol. 2, April, 1901, p. 6; vol. 3, April, 1902, p. 12.

heavy risks by old-line companies have been compelled to protect their members against total or permanent disability as well as against death. Disability benefits have, therefore, in many unions, become equal in importance to death benefits.

The number of labor organizations that pay permanent or total disability benefits is small. Some of the oldest andmost typical labor unions have never considered this benefit an essential factor in the development of their trade principles. Of the one hundred or more unions paying benefits less than a dozen provide protection against disability. The original design of this benefit, as shown above in case of the railway unions, was to protect those union men whose daily occupation necessarily endangers their lives and whom old-line insurance companies class as hazardous or extra-hazardous, and upon whom insurance is more expensive than the man of ordinary occupation. These criteria exist at present and are, in general, the standards for determining the attitude of the unions on this subject. The Iron Molder , the Carpenter , the Granite Cutter , the Wood Workers, and the Glass Workers are considered heavier risks by standard companies than the Cigar Maker, the Painter, or the Boot and Shoe Maker. This factor, combined with

the high degree of fraternalism among some of the more progressive unions, has led a few to pay a benefit against permanent disability. The principal unions that have founded this benefit are the Iron Molders, the Brotherhood of Carpenters and Joiners, the Granite Cutters, the Brotherhood of Painters, the Pattern Makers, the Amalgamated Wood Workers, the United Metal Workers, the Amalgamated Glass Workers and the Boot and Shoe Workers, (1906). All of these, except the Granite Cutters, maintain this benefit at present.

The basis of paying death and disability has not always been the same. Some unions consider disability equal in importance to death. The Iron Molders, the Carpenters, and the Painters have always followed this principle and paid the same amount in case of disability as in death. But the Carpenters have always required a longer period of continuous membership for members drawing disability benefits, and at present they pay a larger disability benefit for a correspondingly larger membership.(1) The Wood Workers, on the other hand, have always paid a larger disability benefit, and usually required double the term of continuous

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(1) Carpenters' Constitution, 1886, (n.p.n.d.), Art. 12-13; Constitution, 1904, (Milwaukee, n.d.) secs. 95-96.

membership for disability as in case of death.[1] The Granite Cutters originally paid $500 in case of disability and $50 in case of death; while at present they pay only death benefits, but extend death rate privileges to old members incapacitated for work.[2]

This variation in the disability laws of the different unions may be attributed primarily to the character and nature of the trade against which disability benefit is offered. Iron Molders, Carpenters, Machinists, Wood Workers, and Glass Workers are necessarily subjected to many disabling accidents, and hence, their benefit laws and the amount of the benefit must conform to the hazardous nature of their trades and to the ability of the members to carry these benefits.

The success with which these unions have met in defining "permanent or total disability" has also been influential in shaping the laws and in determining their operation. The dissatisfaction, so prominent among the Iron Molders from 1870-1890 and among the Carpenters from date of organization in 1881 to 1890, must be attributed to their

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(1) Wood Workers' Constitution, 1890 (Joliet, n.d.), Art. 21.
Wood Workers' Const., 1904, (Chicago, n.d.) secs. 135-137.
(2) Granite Cutters' Constitution, 1877 Art. 1-2, (Rockland 1877).

inability to define satisfactorily "total or permanent disability" and hence to secure adequate laws for its successful operation. Theoretically speaking, there must necessarily be as many laws providing disability benefits from the unions' view point, as there are trades. Administrative officials must apply the benefit according to their conception of the meaning of the term, "total or permanent disability" as defined by their constitutions. The original intention was to grant this benefit to every member incapacitated from following his trade. The extent to which this has been carried out has depended upon the interpretation of his idea and the efficiency of trade union regulations in carrying out the spirit of their laws.

Since, from the inception of protection against disabling accidents among trade unions, the organizations have experienced serious difficulty both in securing satisfactory definitions of "permanent or total disability", and in applying their laws to the cases in question, it is well to note the evolution of this idea. The Iron Molders' Union took the initiation in adopting a national disability benefit. Naturally, therefore, the Union undertook to pay disability benefits for all disabling accidents without any restrictions or limitations. Under the Iron Molders' Beneficial Association, (effective, October 1, 1870) as late

as 1878 "permanent disability" was limited only by two definite facts: first, the disability must not have been caused by dissipation and secondly, the member must not have been disabled before joining the Association.[1] The Granite Cutters' Union, however, in 1877, went a step further and provided that a member "disabled for life by accident", including "loss of leg, arm, hand, or foot , while following his employment" should receive the benefit.[2] Under the loose system of the Iron Molders the claims increased more rapidly than funds for their payment. Consequently, in 1882, limitations were prescribed to the term "permanent disability" and it was made to include only "total blindness, the loss of an arm or leg, or both", to which "paralysis" was added in 1890.[3] Also the Granite Cutters in 1880 extended the term disability to include loss of "eye, or any other disability for life by accident."[4]

This experience of the older unions prepared the way for more definitive rules prescribing the scope of the disibility idea and warned the younger unions of the neces-

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(1) Iron Molders' Constitution, 1878, (Cincinnati, 1878), p. 2.
(2) Granite Cutters' Constitution, 1877, (Rockland, 1877), p. 27.
(3) Iron Molders' Constitution, 1882, (Cincinnati, 1882) Art. 17; Journal, vol. 16, June, 1880 and Aug. 30, 1880; Const., 1890 (Cincinnati, 1890); Const. 1902 (Cincinnati, 1902) p. 40.
(4) Granite Cutters' Const., 1880, p.18 (Maplewood, Mass. 1880).

sity of conforming strictly to well defined principles. Having an old and conservative Union to work out the principal objectionable features of this benefit, the younger unions have avoided many of the detrimental effects consequent on the establishment of disability protection. Accordingly, the definitions of "permanent or total disability" originally adopted by some of the younger unions conform more closely to the principles embodied in the Iron Molders' revised definition of 1882 and 1890 than the original definitions as given by the Iron Molders conforms to their present one. The definition of the Brotherhood of Carpenters and Joiners adopted in 1888, which remains in force at present, defined permanent disability as, "total blindness, the loss of an arm or leg, or both, the total disability of a limb, the loss of four fingers on one hand, being afflicted with any physical disability resulting from sudden accident."(1) The Brotherhood of Painters as early as 1899 incorporated the same definition and made it to include "paralysis and lead poison".(2) The Amalgamated Glass

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(1) Constitution, 1888 (n.p., n.d), vol. 11; Constitution, 1905 (Milwaukee, n.d.), p.19.
(2) Painters' Constitution, 1899 (n.p., n.d.), p. 14.

Workers as late as 1900 had made no attempt to give definite limits to the term "total disability", but in 1903 they adopted the definition of the Carpenters and extended it to include disability resulting from "paralysis."[1] The Amalgamated Wood-Workers only specify that members be disabled from following the trade.[2] In each of these cases the administrative officials are given considerable latitude, but in case of the Wood Workers they have plenary powers in payment of claims, and unless former decisions have been wise and can be precedents for subsequent ones, the whole system of benefits is endangered.

The definitions adopted by the unions are intended as guides for and restrictions upon the administrative officials. The success of the benefit, therefore, depends largely upon the wisdom and integrity of the officers. This is, of course, a serious defect in the whole system, which so far the best organized unions have been unable to eradicate completely. In these unions where the benefit is limited to disabilities resulting from accident sufficient to prevent the member from following his trade the officers

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(1) Amalgamated Glass-Workers' Constitution, 1900 (Chicago, n.d.), p. 23; Constitution, 1903, p. 11.
(2) Wood-Workers' Constitution, 1905 (Chicago, n.d.), p. 42. Constitution, 1903 ( ) p.11.

have greater discretionary power, and yet in many trades it is impossible to obtain positive evidence concerning the totality or the permanency of the disability. Secretary-Treasurer Skemp, of the Brotherhood of Painters says it is almost impossible to decide intelligently claims for disability resulting from lead poisoning.(1) In all of these organizations the laws are necessarily flexible and in such specific cases as that of lead-poisoning the officials must accept the physicians' certificate.

The relative importance of death and disability benifits as held by the different unions may best be seen in the amounts paid in case of death or disability. The following table gives the amounts paid in each benefit under the original constitutions, or the earliest available, and under the present constitutions.

Name of Organization	Amount paid originally		Amount paid at present	
	Death	Disability	Death	Disability
Iron Molders	$0.40 (a)	$0.40 (a)	$100 for 5 yrs. 150 " 10 " 175 " 15 " 200 " 15+ "	$100 for 5 yrs 150 " 10 " 175 " 15 " 200 " 15+ "
Carpenters	$250	$100	$100 for 6 mo. 200 " 1 yr.	$100 for 1 yr. 200 " 2 " 300 " 3 " 400 " 5 "
Painters	$50 for 6 mo 100 " 1 yr.	$50 for 6 mo 100 " 1 yr	$100 for 1 yr. 150 " 2 "	$100 " 1 " 150 " 2 "
Granite Cutters	$50 for 6 mo	$500 for 6 mo	(b) $50 for 6 mo. or less 75 " " to 1 yr 100 " 1 yr " 5 " 150 " 5 " " 10 " 200 " 10 " +	(c)
Wood-Workers (Amal)	$60 for 6 mo.	$100 for 1 yr.	$50 for 6 mo. 75 " 18 " 100 " 3 yrs.	$150 for 1 yr. 200 " 2 " 250 " 3 "
Metal-Workers	$75 for 12 mo.	$500 for 5 yrs.	$75 for 12 mo	$500 for 5 yrs
(Amal.) Glass Workers	$50 for 6 mo 100 " 1 yr	$150 for 1 yr.	$100 for 1 yr. 150 " 2 "	$75 for 1 yr. 100 " 2 "
Boots and Shoe Workers	$50 for 6 mo 100 " 2 yrs.	none	$50 for 6 mo. 100 " 2 yrs	$100 for 2 yrs.

(a) Paid a fluctuating amount equal to 40 cents per member of the union.

(b) Under Constitution of 1878 the disability benefit was fixed at $0.50 per member of the union. A $500 disability benefit was paid for one year only.

(c) Granite Cutters do not pay a disability benefit at present, but allow members of sixty years of age who have been in continuous good standing for ten years previous to draw $125, and without further payment of dues and assessments to receive at death $75.

A comparison of the amounts in the above table shows that only the Iron Molders' Union and the Brotherhood of Painters have considered, both under their original and their present constitution, protection against death and disability of equal importance, and have paid equal amounts for both. While, on the other hand, the other unions except the Carpenters have provided for a greater benefit in case of disability. Originally the Granite Cutters paid a nominal death benefit of $50, and $500 disability benefit. And yet, by 1878, the disability benefit had been changed to 50 cents per member of the Union and the death benefit double this amount, and in 1897 the disability benefit was abandoned.(1) On the other hand, the Carpenters adopted originally a $250 death benefit and a $100 disability benefit, but two years later made the two equal in amount.(2) However, in the Brotherhood of Carpenters, the length of period of membership before a member becomes entitled to protection is greater in case of disability. For example, to draw $100 death benefit, the Carpenters required, under constitutions of 1888 and 1905, that the member be in six months good stand-

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(1) Granite Cutters' Constitution, 1877, (Rockland, Me., 1877), p. 27; Granite Cutters' Constitution, 1878, p. 39.
(2) The Carpenter, vol. 2, No. 8, (1882) p.5; vol.4, Aug., 1884.

ing, while for an equivalent amount against disability he must be in one years' standing.[1] In the United Metal Workers a member of 12 months' standing is entitled to $75 in case of death, but to draw the $500 disability benefit he must have been in continuous good standing five years immediately preceding his injury.[2]

A comparative study of the amounts paid by the different unions in death and disability claims adds something to an intelligent conception of the relative importance of the two benefits. The following table contains statistics of this nature in the Brotherhood of Carpenters and Joiners, the Brotherhood of Painters, and the Amalgamated Wood-Workers' Union.

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(1) Carpenters' Constitution, 1888 (n.p.,n.d.), p. 10.
" " 1905 (Milwaukee, n.d.), p. 18.

(2) Metal Workers' Constitution, 1903 (Joliet, n.d.), p. 30.

Brotherhood of Carpenters and Joiners.

Year	Amount of Benefits Paid (1)		Percentage of Benefits Paid	
	Death	Disability	Death	Disability
1890-1892	$ 93,696.00			
1892-1894	106,906.95			
1894-1896	58,527.10	$10,500.00	85	15
1896- 98	59,108.44	11,100.00	85	15
1898-1900				
1900-1902	159,249.98	7,900.00	95.3	4.7
1902-1904	243,218.25	16,700.00	93.6	6.4
1904-1906	306,294.44	28,250.00	91.6	8.4

Brotherhood of Painters.

	Amount of Benefits Paid.		Percentage of Benefits Paid.	
	Death	Disability	Death	Disability
July 1, 1889) " 1, 1890(	$ 2,894.00	$ 250.00	92.1	7.9
" 1, 1890) " 1, 1892(	6,900.00	750.00	90.2	9.8
" 1, 1892) " 1, 1894(	10,548.00	1,475.00	87.8	12.2
Dec. 1, 1897(" 1, 1899)	7,150.00	600.00	92.2	7.8
Jan. 1, 1902(" 1, 1903)	30,307.00	3,050.00	90.9	9.1

Wood-Workers.

	Amount of Benefits Paid.		Percentage of Benefits Paid.	
	Death	Disability	Death	Disability
1900	$ 2,850.00	$ 250.00	92	8
1901	4,200.00	250.00	94.4	5.6
1902	3,075.00			
1903	5,775.00	500.00	90.6	9.4
1904	7,574.00	750.00	91.1	8.9

(1) Grand total death and disability benefits since introduction 1882, to June 30, 1906, $1,512,343.20. Vide General Secretary-Treasurers' Report for 1904-1906, p.76 (Indianapolis, n.d.).

This table gives some idea of the relative amounts paid for death and disability in three unions where separate amounts are procurable. The percentages of the whole amount of the two benefits combined paid for disability claims by the Carpenters for a period of twelve years and by the Wood-Workers during a term of five years are practically the same, 6.7 and 6.9 respectively; while in the Printers' for a period of fourteen years the percentage is slightly greater, namely 9.5. It is impossible to fix definitely the causes of this variation, but evidently three essential factors enter. In the first place the Printers pay equal amounts in case both of death and disability subject to the same time requirement; in the second place, the Carpenters and the Wood-Workers require longer periods of good standing before a disabled member becomes entitled to the benefit and at the same time pay a larger benefit for disability; in the third place, the efficiency with which disability laws are administered. The first and second of these factors seem to counter-balance the influence of each other and consequently administration must enter as the greater element in this differentiation.

Again, with reference to the per cent. of disability benefits paid each succeeding year the Carpenters and the

Painters each show two distinct stages, each marked by the same tendency towards increase, while the Wood-Workers show more or less regularity in alternate rise and fall of percentage paid, with a slight tendency to increase the sharp decrease in the later period (1900-1906) of the Brotherhood of Carpenters from that of 1894-1898 inclusive can undoubtedly be attributed largely to change in administration - the passage from the influences of lax administration of the years of General Secretary-Treasurer McGuire's term. The two distinct periods in the Brotherhood of Painters are separated by the interval in which there was a serious division with the organization and yet the later period, when normal conditions reappeared, shows the same natural increase in percentage of benefits paid as the preceding stage.

The superannuation benefit is another phase of protection against disability. This, however, is nothing more than an old-age disability, and may, therefore, properly be called a supplement to the disability idea. Its origin is English rather than American and in England the system appears in its highest stage of development. Thirty-eight of the principal English Unions, including two with branches in the United States - the "Amalgamated Society of Engin-

eers" and the "Amalgamated Carpenters and Joiners" - pay superannuated benefits (1)

As yet only one strictly American Union, the Granite Cutters, has begun the payment of this benefit. However, several unions, early in this history, incorporated laws for its payment, but permanent results in the field are to be found only within recent years. The earliest attempts in American unions were made by the International Typographical Union in 1857. The National Convention of that year appointed a committee to consider the plan proposed by the Philadelphia painters for the establishment of an "Asylum for superannuated and indigent Painters". This attempt was defeated at the ninth Convention, 1860, (2) and not until 1892 was the union successful in this field, when the Union Printers' Home" was established and incorporated under the laws of the state of Colorado. The Iron Molders' Union, as early as 1874, provided for the establishment of a superannuated fund, from which superannuated members of twenty years' standing were to receive $300 and those of twenty-five years, $400, if permanently disabled and unable to

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(1) Report of Industrial Commission, Vol. 17, p. (Washington, 1901).

(2) Proceedings of Seventh Convention, May, 1857, p. 11. ( )
Ibid. Ninth Convention, May, 1860, p. 53-54.

earn a living at his trade, provided no membership be considered prior to July 5, 1859, and that no benefit be paid until August, 1879.(1) Because of insufficient revenue for its support the law was repealed in 1878, before any benefits fell due.(2) Also, the superannuated benefit adopted by the Granite Cutters in their early history met with a similar fate.(3) The Brotherhood of Carpenters and Joiners, at the 1900 Convention amended the Constitution with a provision for paying to members of twenty-five years' continuous membership, and are sixty years of age, such an amount as the National Convention might designate.(4) In 1902 the amount of this benefit was fixed at $150 provided referendum vote should endorse an increase of dues. This was defeated and. at present, there is no provision for such a benefit.(5)

At present the Journeymen Plumbers, the Patern Makers, the Machinists, the Granite Cutters, the Jewelry Workers, the Cigar-Makers and the Deutsch-Amerikanischen Typographia have provisions for a superannuated benefit. In the Plumbers' Association any member of at least twenty years

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(1) Iron-Molders' Constitution, 1876 (Cincinnati, 1876), Art. 18.
(2) Ibid. 1878,(Cincinnati,1878)Art.17
(3) Granite Cutters' Journal,vol.26, July,1902, p.2.
(4) Carpenters' Proceedings of Eleventh general Convention 1900, (Scranton, 1900), p. 67.
(5) Ibid of 12th general Convention,1902,(Atlanta,1902), p. 122,123; "The Carpenter, vol.22, Nov.,1902, p.3; vol.23, No.1, Tabulated note.

full membership and not less than forty-five years of age, who, through old age or infirmity, is incapacitated from following his employment shall be entitled to the benefit according to the prescribed scale: those of twenty consecutive years full membership and under twenty-five years of age shall receive $300; those of twenty-five years membership and under thirty years of age, $400; those of thirty years membership and over, $500. This law went into effect January, 1903, but no benefit can be paid before January, 1923.(1) The Pattern Workers' League provides that superannuated members be divided into two classes: (a) members sixty years of age and of twenty-five years of continuous membership, who shall receive $12 per month, and (b) those sixty-five years of age and over and of thirty years membership, who shall receive $16 per month. The provisions of this benefit became operative July 1, 1900, and the first benefit falls due July 1, 1920.(2) The Jewelry Workers have the same specification as the Pattern Makers. The law went into effect January 1, 1902, but no benefit will be paid until January 1, 1922.(3) The Machinists provide that any member sixty-five years of age and ten consecutive years in good standing shall receive $500, and those sixty-eight years of age and of twenty years standing shall receive $1000. This benefit became effective June 1, 1903, and no payment can be made

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(1) Plumbers' Constitution, 1904. (Chicago, n.d.) p.52-53.
(2) Pattern Makers' Constitution, 1906. (New York, n.d.), Pages 15-16.
(3) Jewelry Workers' Constitution, 1902. Art. 11.( )

before June 1, 1913.[1] The Granite Cutters maintain an old age and honorary benefit fund for the benefit of members attaining sixty-two years of age who have been in continuous good standing for ten years previous to arriving at this age. The amount of the benefit is $10 per month for six months each year, continuous from November.[2] The first payments under this law were made December 15, 1905, and for the six months, Dec. 15, to May 15, the sums paid aggregate $1930.[3] The Cigar Makers offer an old age benefit in the shape of reduction of dues with the right of retaining death benefit privileges. This provision includes all members of not less than fifteen years' standing who have become incapable of working at the trade, provided they pay quarterly dues at the rate of ten cents per month.[4] The Typographia permits members, who become old and unable to work at this trade, to apply for an allowance of $100 or $200. This is subject to approval of the local union, on condition that the member waive all right and claim against the Union for further benefits.

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(1) Machinists' Constitution, 1903. (Washington. n.d.) p.31.

(2) Granite Cutters' Constitution, 1905. (Quincy,n.d.) p. 45.

(3) Granite Cutters have paid the following honorary or superannuated benefits:

December	15, 1905,	$160
January	15, 1906,	220
February	15, 1906,	330
March	15, 1906,	370
April	14, 1906,	410
May	15, 1906,	440
Total		$1930

(4) Cigar Makers' Constitution,1896, 14th ed. (Chicago, n.d.), Sec. 225.

The form and conditions of this benefit offered by the Cigar Makers are essentially different from those of the other unions. The Cigar Makers condition the enjoyment of this benefit upon payment of specific dues and upon deferment of all payments until the death of the member; while the other unions make an absolute gift of a definite sum at the end of a specific age limit. Furthermore the Pattern Makers provide that the heirs of the member shall receive funeral benefits at his death; while the Plumbers pay the death benefits in addition, only on condition of payment of ten cents per week.

The superannuated benefit from a theoretical point of view is a desirable one, but from the practical side serious objections arise. The chief of these is the conditions of the laboring man. His environment prevents absolute acceptance and full realization of the importance of a deferred interest plan--at least of a too remote interest. The interval between the time of eligibility to the superannuated fund and the day of receipt of the benefit is too great. Immediate returns rather than mediate appeal to the laboring man. The laboring man, to a greater extent than any other class, prefer present command over consumable goods to future command. The economic function of investment of present goods for future returns is beyond his conception and he of course places his confidence and interests in short term investments. A second great hindrance to a more rapid inauguration of

this benefit has been the lack of concrete illustrations of its operation, and perhaps the existence of an absolute failure of the Iron Molders Union during its early history. The Iron Molders failed because of insufficient funds for its maintenance,[1] which must be traced to inexperienced officials and an uneducated membership. Only improved conditions and definite knowledge as to its scientific importance can place the benefit foremost among the laboring man's interest.

Another feature peculiar to the death benefit systems is the wife's funeral benefit. The history of this benefit is comparatively recent and its operation has not yet been demonstrated thoroughly. Secretary Morrison of the American Federation of Labor reported for the year ending September 30, 1903, nine American Unions, paying this benefit, and eleven, for the year ending September 30, 1904.[2] The following is a list of those reported in 1904:

Bakers and Confectioners

Brotherhood of Carpenters and Joiners

Cigar Makers

Compressed Air Workers

Lace Curtain Operatives

Freight Handlers

Painters

Paving Cutters

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(1) Iron Molders' Journal, Vol. 14, August 10, 1878, p.4; October 10, 1878, page 30

(2) Proceedings of twenty-third Convention 1903, p. [illegible] (Washington, 1903).
Proceedings of twenty-fourth Convention, 1904, p.46. (Washington, 1904).

Photo-Engravers

Cotton Mule Spinners

Tailors

The introduction of this benefit in most of these unions is recent and for its place as a trade union principle reference must be made principally to those unions in which it has been tested most thoroughly. The Deutsch-Amerikanischen Typographia took the initiative in this extension of the funeral benefit, and at the New York Convention, May 1884, provided for a $25 wife's funeral benefit.[1] The Brotherhood of Carpenters and Joiners followed next at Cincinnati in the same year, by adopting a $50 benefit to members of six months' standing.[2] These were followed in 1887 by the Painters and the Cigar Makers. The former at its March Convention in its first constitution provided for a wife's funeral benefit of $25 to those of six months' standing and $50 to those of one year.[3] A few months later the Cigar Makers adopted a clause for a $40 benefit.[4] These four unions have taken the lead in extension of funeral benefits to this field, and for the year ending September 30, 1904, the Carpenters, the Painters and the Cigar Makers paid more than 92% of the

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(1) "American Federation" Vol. 2, p. 61; Typographia Constitution, 1884. (New York, 1886).
(2) "The Carpenters" Vol. 4, August, 1884.
(3) "The Painters" Vol. 1 No. 2 (1887); Vol. 17, p. 529 (1903).
(4) Cigar Makers' Constitution, 1887. (Buffalo, 1888), Art. 10.

whole amount paid by the eleven unions. The majority of these unions are young and have made little progress in this field.

Since this benefit was originally designed as a supplement to the regular death benefit it has been made only a nominal one in order to prevent too heavy drain upon the death fund. Beginning with the Typographia in 1884, the minimum benefit of $25 was paid, soon to be followed by the Painters in 1887.[1] However in 1884 a few months later than the German-American printers, the Carpenters adopted a $50 benefit,[2] and the Cigar Makers, in the same year with the Painters, made $40 their maximum.

The benefits derived from these were conditioned upon a definite period of continuous good standing in the union. The following table gives the minimum amounts of this benefit under the original and the present laws, as compared with amounts paid in case of death, together with the terms of membership required for participation in the benefit.

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(1) Typographia Constitution 1884 ( ); Painters' Constitution, 1887, in Journal Vol. 1, No. 2 (1887).
(2) Carpenters' Constitution 1885. (Cleveland, 1885), p. 13.

Name of Union	Originally				At Present.			
	Wife's		member		Wife's		member	
	Amount	Period of good standing	Amount	Period of good standing	Amount	Period of good standing	Amount	Period of good standing
Bakers	$50	6 mo.	$ 50	6 mo.	$50	6 mo.	$50	6 mo.
Carpenters	50	6 mo.	250	6 mo.	25	6 mo.	100	6 mo.
Cigar Makers	40	2 yrs.	(1)	(1)	40	2 yrs.	200	5 yrs. (2)
Painters	25	6 mo.	50	6 mo.	50	1 yr.	100	2 yrs.
Tailors	75	3 mo.	75	3 mo.	(None) (3)		25	6 mo.
Typographia	25	1 yr.	200	1 yr.	50	(5)	65 (4)	

(1) Ten cents per member of the Union. No period of good standing specified in the first benefit 1873, but on reorganization in 1880 it is given at one year.
(2) After two years membership the Union pays $50 funeral benefit.
(3) Last constitution containing wife's funeral benefit is 1896, viz:
)$25 for 6 mo.
(40 for 2 yrs.
) 50 for 3 yrs.
(4) Also $70 from the International Typographical Union.
(5) In good standing only--no minimum time attached.

This table shows that, in payment of the wife's funeral benefit, these unions have conformed for the most part to two general rules: in the first place that of fixing the amount at less than that paid in case of death of a member and secondly in making the time requirement necessary to share in the benefit the same in case of the wife's death as in case of the members. The Bakers' Union, however, is an exception to the former, and the Cigar Makers and the Painters to the latter. The Bakers pay the same amount for both; while the Cigar Makers require two years good standing in case of wife's funeral benefit and five years in case of members,--though they allow $50 funeral expenses to members of this years standing, and on the other hand the Painters one and two years respectively for the two benefits. It is also worthy of notice that in the Carpenters, the Cigar Makers, and the Typographia, the most highly organized Unions of this group, there is a greater disparity in the amounts paid for the two purposes. The Tailors' Union, one of the less highly organized, began by offering a greater sum for a shorter period of continuous membership than that of any other union, but was unable to meet the heavy drain upon its resources for more than five or six years and consequently was forced to abandon the idea.

The success of this benefit has not always been a certainty in any of these organizations. But on the other hand it has met with more or less opposition, which has

appeared from three distinct sources. In the Carpenters' Brotherhood because of too heavy drain on death funds, in the Tailors' Union because of the injustice of the law, and in the Painters Brotherhood because of corruption in the form of illegal claims. The opposition among the carpenters arose from the heavy drain upon the national treasury in order to meet the rapidly increasing claims. The Secretary-Treasurer's report for July, 1894-July, 1896, shows that $13,525 were paid for this purpose, while $10,500 and $58,527 were paid for members' disability and death respectively.(1) Demands arose for more explicit regulations, and a higher degree of conservatism in administration. Later statistics show during 1896-1898 and 1904-1904 considerable reduction in claims paid.(2)

The Tailors' Union, on the other hand, failed to correct the evils of the system among its members. The basis of contention being that it was "based upon real injustice, giving one member more benefits for the same dues paid than to another." The strongest objection was that "single men and women" could not receive the benefit and hence it was an injustice to compel them to maintain it. In 1898 the committee of "Laws and Audit" recommended

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(1) "The Carpenter," Vol. 16, October, 1896.

(2) The following table gives the percentages of the total amount paid in death benefits in case of death of wife and of member since 1894.

Year	Wife	Member
1894-1896	18.7	81.3
1896-1898	10.2	89.8
1898-1900		
1900-1902	15.6	84.4
1902-1904	16.1	83.9
1904-1906	12.9	87.1

its repeal, which because of increased opposition was done a few years later.[1] The opposition in the Brotherhood of Painters arose from the abuse prevalent in filing illegal claims. Secretary-Treasurer, Skemp says that it was not an uncommon occurrence for the same man to bury three or four wives within a short period and to file claims under false names.[2]

The following table gives the amounts paid for wife's and member's funeral benefit by the Painters, the Carpenters, and the Tailors within the specified dates.

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(1) Tailors Journal, Vol. 8, p. 16. (1897-1898).
(2) Interview by author.

Painters.

Year	Wife's			Members'		
	No claims Paid.	Amount.	Percentage of whole amt. Paid.	No Claims Paid.	Amount	Percentage.
June 30-June 30						
1888-1889	13	$ 650.00		11		
1889-1890	28	1,075.00	26.8	29	$ 2,894.00	73.2
1890-1892	54	2,075.00	23.1	70	6,900.00	76.9
1892-1894	87	3,912.00	27.7	106	10,548.00	72.3
1894-1896	12	550.00	19.1	20	2,319.00	80.9
Jan.1 1896-1900	42	2,025.00	18.3	77	8,996.25	81.7
1900-1902	85	4,250.00		176		
1902-1904	203	7,265.00		419		

Carpenters.

Year ending July 1						
1890-1892	487	23,650.00	20.1	484	93,696.00	79.9
1892-1894		17,750.00	14.2		106,906.95	85.8
1894-1896		13,525.00	18.7		58,527.10	81.3
1896-1898		6,725.00	10.2		59,108.44	89.8
1898-1900		---			---	
1900-1902		29,545.00	15.6		159,249.98	84.4
1902-1904		46,892.60	16.1		243,218.25	83.9
1904-1906		45,525.00	12.9		306,294.44	87.1

Tailors' Union.

Year						
1890-1893		17,075.00	32.2		35,880.00	67.8
1894		3,600.00	29.5		8,591.00	70.5
1895		2,435.00	23.6		7,853.50	76.4
1896		1,674.70	25.9		4,774.95	74.1
To July, 1897		499.00				

A study of this table shown that the relative amounts paid for wife's funeral benefit have materially decreased. This is especially true after the middle nineties, which must undoubtedly be attributed, a large measure, to the opposition waged against it because of various forms of illegal practice among administrative officials. Although payment of this benefit has been somewhat of an experiment among these organizations, it has always constituted an important part of their expenditure. During the period from June 30, 1888, to January 1, 1904, the Brotherhood of Painters paid 524 claims on account of wife's funeral benefits and 908 for members, or 36.5 per cent. and 63.5 per cent. respectively of the whole number paid. From June 30, 1888, to January 1, 1900, the percentage of the whole amount paid in death claims was 24.5 on account of wife's funerals and 75.5 for members. In the Brotherhood of Carpenters, during 1890 and 1906 inclusive the percentages on similar accounts are 15.1 and 84.9 respectively, and in the Tailors' Union for 1890 and 1896 inclusive, 30.2 and 69.8. However, the data given showa decrease in the relative number of claims and amounts paid. In the Brotherhood of Painters from June 30, 1888, to January 1, 1904, the percentage of yearly claims on account of wife's funeral benefits has fallen from 49.1 in 1890 to 37.5 in 1896, to 32.6 in 1904.(1) Similar decreases have taken

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(1) The following note contains percentage of claims for wife's and members' benefit for each period.

Year	Wife's	Member's
1889-1890	49.1	50.9

place in the Brotherhood of Carpenters and the Tailors' Union.

The cost of the wife's funeral benefit is an important factor in determining its acceptance. The willingness with which the benefit is paid depends largely upon the degree of fraternalism among the members. In some of the older unions, as the Typographia and the Cigar Makers where separate reports for the wife's funeral are not made, it is impossible to obtain this cost; but the reports of Painters, the Carpenters, and the Tailors show interesting facts of comparison. The following table contains sufficient data for a comparison of these two benefits in these Unions.

Year	Wife's	Member's
1890-1892	43.5	56.5
1892-1894	45	55
1894-1896	37.5	62.5
1896-1898	35.3	64.7
1900-1902	32.5	67.5
1902-1904	32.6	67.4

Brotherhood of Painters.

Year	Estimated Membership (a)	Amount of Members' Benefit	Amount of Wife's Benefit	Cost per Member of Member's Benefit	Cost per Member of Wife's Benefit
July 1-June 30					
1888-1889	$ 7,000		$ 650.00		$ .09
1889-1890	8,000	$ 2,894.00	1,075.00	$ .36	.13
1890-1892	12,500	6,900.00	2,075.00	.55	.16
1892-1894	18,000	10,548.00	3,912.00	.58	.22
1894-1896	14,200	2,319.50	550.00	.16	.04
Jan. 1					
1896-1900	13,200	8,996.25	2,025.00	.68	.15
1900-1902	29,900		4,250.00		.14
1902-1904	66,000		7,665.00		.11

Brotherhood of Carpenters.

Year ending July 1	(b)				
1894-1896	29,500	58,527.10	13,525.00	1.98	.46
1896-1898	30,600	59,108.40	6,725.00	1.93	.22
1898-1900	50,000				
1900-1902	106,800	159,249.98	29,545.00	1.49	.27
1902-1904	141,800	243,218.25	46,892.60	1.71	.33
1904-1906	165,700	306,294.44	45,525.00	1.84	.27

Journeymen Tailors.

Year	(c)				
Jan.1-July 1					
1890-1891	3,760	6,325.00	4,925.00	1.68	1.30
July 1-Jan.1					
1891-1894	7,560	29,555.00	12,150.00	3.91	1.60
1894	8,200	8,591.00	3,600.00	1.05	.44
1895	8,600	7,853.50	2,435.00	.91	.28
1896	9,600	4,774.95	1,674.70	.49	.17
to July 1 '97	10,500		499.00		.05

(a) Based on membership given in Journal Vol.17, P.629 (Sept., 1903)
(b) " " " " " Gen. Secty.-Treas' Report to Fourteenth General Convention for 1904-1906 (Indianapolis, n.d.) P. 18.
(c) Based on statistics furnished John B. Lennon, October, 1905.

From this table it is seen that in most cases the cost has been nominal from basis of membership. In the Painters and Carpenters maxima costs were reached during 1892-1894 and 1894-1896 respectively, and afterwards there was, with few exceptions, a gradual decrease. In the Tailors' Union there was not this rise and fall in costs but rather a gradual fall from its inception to its repeal. During these periods two principal causes were present effecting those variations: in the first place the influence of the industrial depression and secondly the more or less inefficiency of administration. In case of the Tailors, however, the actual amount paid increased rapidly from 1891 to 1894, but the increase in membership was greater proportionally and the per capita cost was lessened. Based upon the estimated membership for the period from January 1, 1890, to July 1, 1891, the cost of the wife's funeral benefit was 86 2/3 cents per member per year, while at the close of 1894 and 1896 this cost had diminished to 44 cents and 17 cents respectively. A better basis of comparison would be the cost of maintaining the wife's funeral benefit with that of the members'. Reference to the above table shows the corresponding costs of the members' funeral benefit for the same periods of the wife's. For 1889-1899 inclusive in the Painters the ratio of the cost of wife's benefit to that of the members was 1 to 3 2/7; for 1894-1898 inclusive the Carpenters show a ratio of 1 to 5.7; the Tailors for

1890-1896 inclusive show a ratio of 1 to 2.16. In case of the Tailors, though the cost per member had gradually decreased from its adoption, this benefit never proved a success.

The systems of benefits maintained by American labor unions show many similarities in their development. One of the most characteristic features of these is the transition from the original fluctuating benefit to the present fixed amount. The history of trade unions in which death and disability benefits are paid shows one general course of development: originally adopting a fluctuating benefit and in development passing to the fixed amount . In all the older unions, except the Deutsch-Amerikanischen Typographia, that introduced these benefits prior to 1880, the system of benefit was put upon a fluctuating basis. From this original form the unions have, with few exceptions, passed to a system of fixed amounts as soon as they became sufficiently strong, financially and numerically, to guarantee their members some definite amount of protection. Thus the Iron Molders paid a fluctuating benefit from 1870 to 1879 (1) and the Cigar Makers from 1870 to 1880, (2) while the Glass Bottle Blowers adopted a fluctuating benefit in 1891, and the following year changed to a fixed amount. (3)

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(1) Journal Vol. 25 (June, 1889); Constitution 1878 (Cincinnati, 1878), Art. 17.
(2) Proceedings of Special Session p. 25. October, 1870. Syracuse, N.Y.
(3) Proceedings of twenty-fifth annual Convention, Milwaukee, 1901. Report of Secty. Launer (Milwaukee,1901).

The amount of the benefit received under this original system undoubtedly did much to hasten the introduction of definite amounts. The amount paid by the Iron Molders under their first law was 40 cents per member of the Association, and later increased to 45 cents per member. This proved unsatisfactory, and after the adoption of the $100 uniform death benefit in 1879 the fluctuating benefit became more and more unpopular and the Union was forced in 1882 to abolish the Beneficial Association.(1) In 1873 at Detroit the Cigar Makers' Union inaugurated an endowment plan, which provided for a benefit of 10 cents per member in case of death. But local union No. 87 of Brooklyn later demonstrated the advantage of a definite benefit and its efficiency from a local union's standpoint, consequently the International Union in September, 1880, adopted a definite amount of $25.(2) The Glass Bottle Blowers, originally, paid 25 cents for every member in good standing, but after one year's experience changed to a fixed sum of $500.

Under the fluctuating system the amount paid varied, but for the most part it was larger than that received under the fixed amount rule. At the time the Cigar Makers made the change, in 1880, their membership had increased to 4440, a sufficient number to pay a death benefit of

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(1) Iron Molders Constitution 1876 (Cinn., 1876); Journal Vol. 26, May, 1890, p. 2.
(2) Cigar Makers' Constitution 1880. (New York, 1880), Art. 13.

$444. The Glass Bottle Blowers ten years later inaugurated a benefit of 25 cents per member, which based upon 2423 membership in 1891 amounted to a greater sum than the definite amount adopted one year later. Also in the Iron Molders, though the Beneficial Association was voluntary, the amount paid under the fluctuating system was larger than that originally paid in fixed amounts. Thus these unions had a double purpose in view in the change from one system to another. In the first place the drain upon the national treasury was limited and secondly greater interest was aroused in the members by guaranteeing them some definite amount in case of misfortune.

The Deutsch-Amerikanischen Typographia and the Granite Cutters' Union are exceptions to this general law of inaugurating death or disability benefits. In the first place the former originally adopted a definite amount and has remained unchanged in its policy; while the Granite Cutters adopted a $50 compulsory death benefit, supplemented by a voluntary life benefit fund, from which the heirs of the deceased members received fifty cents per member of the fund, and a $500 voluntary disability benefit. The latter was soon reduced to a fluctuating amount of fifty cents per member. After a few years thia law was repealed and since the Association has maintained all benefits on a fixed amount basis, thus placing itself among the first

unions to determine the advisability of paying only definite sums in case of death or disability.

The majority of American trade unions inaugurated systems of benefits subsequent to 1880, and hence escaped the testing period of benefits based upon the fluctuating principle. The history of these unions, therefore, began after the payment of death benefits on a fixed sum basis had been demonstrated effectually as the most natural and efficient system, and consequently the only system that can be operated successfully under modern trade union conditions. The following table gives the dates of national organization and of introduction of benefit systems in some of the leading unions under this head.

Name of Organization	Date of Organization	Date Benefits Introduced.
Carpenters	1881	1882
Painters	1887	1887
Wood-Workers	1890	1890
Tailors	1884	1890
Typographical Union	1850	1891
Glass Bottle Blowers	1857	1891
Stone Cutters' Association	1853	1892
Machinists	1889	1893
Pattern Makers	1887	1896
Tabacco Workers	1895	1898
Boot & Shoe Workers	1895	1898
Leather Workers on Horse Goods	1896	1898
Plumbers	1889	1903

Any attempt to enumerate or to classify the causes why some unions delayed the inauguration of benevolent systems in connection with this protection, would be simply an enlargement of the fact that individuals of different labor organizations do not interpret with the same degree of accuracy the existing needs and conditions of their trade. In other words different conditions, economically and industrially speaking, appeal to laboring men from different view points. The purely protective organizations are so much concerned with those forces which strengthen them directly that the indirect forces are, in some cases, entirely neglected. This condition of affairs is very strikingly illestrated by the history of the International Typographical Union. For forty years the International Union failed to educate its members as to the importance of benevolent features, and hence the repeated efforts during this period, to inaugurate national benefits naturally failed. The benevolent feature has always occupied a secondary place among the English speaking American printers. This condition continues at present as is seen in the fight for an eight-hour work day, after which, provided the fight is successful, says President Lynch, efforts will be made to enlarge the benefit system. The Typographical Union, the Stone Cutters' Association, and the Glass Bottle Blowers' Association are three prominent examples of this delay. The Typographical Union adopted a benefit clause after an active life of

forty-one years, the Stone Cutters, after thirty-nine years, and the Glass Bottle Blowers, after thirty-four years; while many other unions, as the Iron Molders, the Cigar Makers and the Pattern Makers, postponed its adoption from eight to twelve years. The cause of this differentiation in the interval can without doubt be traced to the ignorance of the individual as to his best interest and the inability of union leaders to educate him, rather than to a neglect of duty or indifference on the part of national officials or National Conventions.

To such an extent has the fixed amount theory became a recognized principle of trade unionism that the majority of unions have accepted it. However, the Saw Smith's Union and the Watch Case Engravers' Association in their constitutions of 1902 and 1901, respectively, provided for death benefits upon a fluctuating basis.(1) This must be attributed to the fact that the unions are not sufficiently strong, numerically and financially, to guarantee any definite amount whatever, and also to the spirit of fraternalism, which is present to a large extent, even in the weakest unions. Generally speaking this spirit of fraternalism is strongest while the union is young, when the benevolent idea is largely of the nature of charity and before it has assumed a systemmatic and scientific basis.

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(1) Saw Smith's Constitution, 1902. (Indianapolis, n.d.) p. 8.
Watch Case Engravers' Constitution 1901. (New York, n.d.), p. 21.

Later, as the organization develops, the power of the benevolent feature in strengthening indirectly the protective side is recognized and this charitable idea gives way to relief as an important factor in promoting the principle of collective bargaining.

The amount of the benefit paid by these organizations has varied both within the unions themselves and among the different unions. This differentiation forms an important phase in the growth of the beneficiary systems, and is found among the younger unions as well as among the older. The Iron Molders and the Cigar Makers under their first system of benefits paid 40 cents and 10 cents per member respectively. Hence the amount varied with the number of members and was often greater than that paid at present. This, though considered at that time the only practicable method, soon proved to be a serious defect in the system. Since the leaders were unwilling, and without doubt unable, to place upon their members, by fixing definite amounts, a greater burden than the organization could sustain, they were forced to adopt some definite sum per member such as the members felt they could give to a neighboring family on the death or permanent disability of its income-earning member. However the rapid growth in membership soon justified a change from this variable and indefinite system to the more modern and economic one. Consequently a greater degree of satisfaction exists among

the unions, although the amount of the benefit paid at present is considerably less, in many cases, than that paid under the original form. The following table gives the date of organization of the unions, the date of introduction of benefits, the amounts of benefits paid originally and those paid at present.

Name of Union	Date of Organization	Date Benefits introduced	Amount of Benefits paid originally	Amount paid at present.
Typographical Union	1850	1891	$50	$70
Stone Cutters	1853	1892	100	100
Hatters	1853	1887	100	100
Glass Bottle Blowers	1857	1891	$0.25 per member	$500
Iron Moulders	1859	1870	$0.40 " "	$100 for 1 to 5 yrs. 150 " 5 " 10 " 175 " 10 " 15 " 200 " 15 yrs and over
Cigar Makers	1864	1867	$0.10 " "	$50 " 2 yrs. 200 " 5 " 350 " 10 " 550 " 15 "
Typographia	1873	1884	$200 for 1 yr.	$65 to $200
Granite Cutters	1877	1877	$50 (Death) $500 (Disability)	$50 for 6 mo. 75 " 6 " to 1 yr. 100 " 1 yr " 5 " } Death 150 " 5 " " 10 " 200 " 10 " and over
Computors	1881	1882	$250 for 6 mo. (Death) 100 " " " (Dis)	$100 for 6 mo. } (Death) 200 " 1 yr. } 100 " 1 " 200 " 2 " } (Disability) 300 " 3 " 400 " 5 "
Tailors	1883	1890	$75 for 3 mo. 100 " 1 yr.	$25 " 6 mo. 40 " 1 yr. 50 " 2 " 75 " 3 " 100 " 4 "
Painters	1887	1887	$50 " 6 mo 100 " 1 yr.	$100 " 1 yr. 150 " 2 yr
Pattern Makers	1889	1898	$50	$50 for 1 yr. 75 " 2 " 100 " 3 " 150 " 5 " 200 " 7 " $250 for 9 yrs. 300 " 11 " 350 " 13 " 400 " 15 " & over
Metal Polishers	1890	1890	$100 for 6 mo	$50 for 1 yr. 100 " 2 yr

Name of Union	Date of Organization	Date Benefits Introduced	Amount of benefit paid originally	Amount paid at present
Wood Workers	1890	1890	$30 for 6 mo (wife) } Death 60 " 1 yr (member) } 100 " 1 yr. (Dis)	50 for 6 mo $75 for 18 mo } (Death) 100 " 3 yrs 150 " 12 mo 200 " 2 yrs } (Dis) 250 " 3 "
Boot & Shoe Workers	(a) 1895	1898	$50 for 6 mo 100 " 2 yrs.	$50 " 6 mo. 100 " 2 yrs.
Tobacco Workers	1895	1896		$50 " 1 yr.
Leather Workers on Horse Goods	1896	1898	$40 for 1 yr. 60 " 2 " 100 " 4 " 200 " 5 " 300 " 8 "	$40 " 1 yr 75 " 3 " 100 " 4 "
Piano and Organ Workers	1898	1898	$50 for 6 mo.	$50 for 1 yr. 100 " 5 " 200 " 10 "
Metal Workers	1900	1900	$75 " 12 mo (Death) 500 " 5 yrs (Dis.)	$75 for 12 mo. (Death) 500 " 5 yrs. (Disability)

(a) The Boot and Shoe Workers' Union was formed in 1895 by consolidation of the "Lasters' Protective Union", organized, 1879 and the "Boot and Shoe Workers' Union", organized, 1887.

This table shows that those unions which took the initiative in founding death and disability benefits for the most part paid fluctuating amounts. Chief among these are the Iron Molders and the Cigar Makers, the former paying a benefit against death and disability, the latter against death only. The amounts paid, though variable, were greater than those paid under the present laws. No change in the benefit furnishes a more conclusive proof of development than the transition from a variable to a definite amount. The benefit in the Iron Molders' original Beneficial Association was optional and consequently the total number insured represented a small per cent. of the Union's real strength. With the compulsory feature added, however, it became necessary to limit the amount payable. At this stage in the two systems the Iron Molders had approximately 8000 members and the Cigar Makers 4000. With this change the two leading unions prepared the way and laid a definite basis upon which the majority of the unions have built their benevolent systems.

Another important factor in the growth of the beneficiary feature is the gradual increase in the amounts paid as the unions became older and stronger. The principal exceptions to this rule are the Brotherhood of Carpenters, the Tailors, and the Metal Polishers. While the majority of unions show material advancement in efforts to offer their members the greatest benefit possible, these increases are made advisedly--proportionate to the

needs of the members and in such amounts as the funds of the unions justify. However all unions do not show the same combination of changes that have materialized in this evolution. Generally speaking these may be grouped into five. In the first place there has been an increase in both minimum and maximum amounts paid, together with a corresponding increase in the term requirements for good standing. Of these changes the Cigar Makers' Union and the Brotherhood of Painters are representatives. Secondly there has been an increase in the maximum benefit only with a proportional increase in period of good standing. The Iron Molders and the Pattern Makers are types of this change. In the third place an increase has been made in the amount paid without any term of good standing requirement, the payment of the benefit depending upon the member being clear of all arrearages for dues on the books of the union. The International Typographical Union and the Glass Bottle Blowers demonstrate this change. Fourthly the Brotherhood of Carpenters shows a decrease in amount paid against death with no change in the time requirement, while for the benefit against disability there is an increase in the period of good standing and in the maximum amount of benefit paid. Lastly the Tailors' Union and the Metal Polishers' Union show a decrease in the minimum amounts paid, with an increase in the period of good standing. These changes are the results of many years of

earnest struggle for advancement, and mark in some measure the natural outsome of persistent efforts and consistent unionism.

The adoption of specific periods of continuous good standing before becoming eligible to benefit privileges was an act of necessity. Under this advancement the unions increased their power and influence in two principal directions. In the first place their funds received greater protection and secondly the older members became better contented to remain faithful to their organizations. The Iron Molders present the most specific case of this necessity. On the repeal of the superannuated benefit clause and the adoption of a uniform death and disability benefit under which every member, whether of one year's membership or of twenty, received equal protection, much dissatisfaction arose. The injustice of this law was readily recognized, and the national officials urged the national convention to remedy its mistake and to offer some inducement to old members to remain faithful to their organizations.(1)

The history of all unions, however, does not show an increase in amount of the benefits with their growth. A few have decreased the maxima amounts of their benefits.

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(1) Iron Molders Journal, Vol. 17. (October 31, 1881.)

Among these are the Brotherhood of Carpenters, the Granite Cutters' Union,[1] and the Brotherhood of Leather Workers on Horse Goods. In case of the Carpenters this reduction applies to the death benefit only--from $250 in 1882 to $100 in 1905, conditioned on a continuous membership of six months; while the Granite Cutters in 1878 reduced the disability benefit from $500 to an amount equal to fifty cents per member, and later abandoned it entirely; and the Leather Workers on Horse Goods has reduced the maximum death benefit from $300 to $100. Changes of this kind have naturally followed the too liberal policy of inexperienced unions in their eagerness to assist unfortunate members. The original laws were founded upon untried theoretical principles and their application to actual conditions of the trade soon demanded reductions commensurate with these conditions.

Admission to membership in American trade unions is voluntary. That is the organizations have no regulative means of compelling members of their respective trades to enter the unions. However, since union influences are growing stronger each year, the combined forces of well organized unions together with the hostilities of the employees have acquired sufficient influence to compel the laboring man, in a large degree, to unite with his fellow-

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(1) See Note (c) to table on page 159 above.

laborers. Entrance into the union carries with it obligations to the organization and at the same time rights to share in its benefits. Consequently the beneficiary feature has come to mean an important adjunct to the organizations, and today all protective members must share in the benevolent feature, provided they are eligible according to specified union rules.

Before full significance of beneficiary features was comprehended, admission to their participation was in part voluntary. This was true of the Iron Molders' Beneficial Association--their first attempt to pay death and disability benefits.(1) Also the first constitution of the Granits Cutters provided for a voluntary disability.(2) In both of these unions the voluntary idea was short-lived. Accordingly as early as January 1, 1879, the Iron Molders inaugurated a uniform death benefit for all members of the craft, and a few years later extended the benefit to include disability as well.(3) By 1884 the Granite Cutters had abolished the voluntary disability feature and required all members to share alike in the death benefits.(4)

At present all of these organizations require all members to contribute to the support of the beneficiary

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(1) Iron Molders' Journal, March, 1871.
(2) Granite Cutters' Constitution, 1877. (Rockland, 1877), Art.1-2.
(3) Iron Molders' Journal Vol. 26, May 1890, p. 2.
(4) Granite Cutters' Constitution, 1884. (Quincy, n.d.) P. 11 ff.

system and to be in good standing a definite term previous to drawing the benefit. The following table gives age limit for admittance, length of term of good standing and maximum period of arrearage before a member becomes entitled to benefits.

Name of Organization	Age Limit for Benefit	Term of Good Standing(1)	Maximum period of Arrearage
Bakers	50 years	3 Months	3 Months
Barbers	50 "	30 days	
Boot & Shoe Workers		6 months	8 weeks
Bottle Blowers, Glass			30 days
Carpenters	50 "	6 "	3 months
Cigar Makers	50 "	2 years	8 weeks
Garment Workers			
Granite Cutters		6 months	3 months
Hatters		(2)	3 "
Iron Molders		12 months	13 weeks
Iron, Steel & Tin Workers		3 "	3 months
Leather Workers on Horse Goods		1 year	4 weeks
Lithographers		30 days	3 months
Machinists		6 months	3 "
Metal Polishers		1 year	3 months
Metal Workers		12 months	3 "
Painters	50	1 year	3 "
Pattern Makers	50	52 weeks	13 weeks
Piano & Organ Workers		1 year	
Plumbers		6 months	3 months
Stone Cutters		6 "	4 "
Tailors		6 "	3 "
Tobacco Workers	60	1 year	4 weeks
Typographia			
Typographical Union			1 month
Weavers, Elastic Goring		6 months	8 weeks
Wood-Workers	60	6 "	3 months

(1) Where a graded benefit is paid the minimum term is given.
(2) A member who has been in arrears in payment of dues must be in good standing one month. "Good standing" the regular requirements for benefit privileges.

From this table three general principles may be drawn. In the first place these unions endeavor to pay death benefits as long as the member is capable of following his trade. In the Bakers, Barbers, Carpenters, Cigar Makers, Painters amd Pattern Makers the member is considered more or less disqualified at fifty years of age, and further risk is curtailed or denied entirely. The Tobacco Workers and the Wood-Workers fix this period at sixty, while the majority of the unions have the matter open and depend for limitations along this line upon the member maintaining himself in good standing and the ability of the administrative officials to administer the benefit for the best interest of the respective trades. In the second place, generally speaking, it is seen that the term "good standing" is intended, in the first place, to include members who are clear on the books of the union, whether this be one day or an indefinite period, secondly those who have paid all dues and assessments for a period of six months previous to application for the benefit, and thirdly those who have paid for one year. In addition to these general classes there is a miscellaneous class, as the Cigar Makers, requiring two years membership in good standing and the Barbers and Lithographers, requiring thirty days. Thirdly the maximum period of arrearage for dues within which members are entitled to benefit privileges tends to be fixed at three months, or the "thirteen week"

period. However there are exceptions to this. For example the Cigar Makers limit the period to eight weeks, and the Glass Bottle Blowers and the Typographical Union to one month.

The period of voluntary membership in the beneficiary departments is short when compared with that of the Railway Brotherhoods. In the latter the transition from voluntary to compulsory insurance was a long contested change. The explanation is not far to seek when we bear in mind the distinction in the benefits paid. The railway organizations pay insurance against death and disability, while these unions pay only a nominal death or disability benefit--in many cases termed a funeral benefit. In the former class of unions liability to accidents is much greater and consequently the unions' obligations are proportionally wider. However, the results accomplished have been the same in both classes of unions. They have been the means of effecting a greater degree of economic security to all members and of placing the unions upon a broader and a more secure economic basis. At present therefore the benevolent feature has become an important phase of trade union activity and one of the principal levers by which the laboring man's interests are being raised to a level with those of his employers.

Some of these organizations--the Brotherhood of Carpenters, the Boot and Shoe Workers' Union, the Brotherhood

Painters, and the Pattern Makers' League, also provide a partial benefit for those not eligible to full benefit at time of initiation. In the Brotherhood of Carpenters any apprentice under twenty-one years of age, or any candidate over fifty years of age, in ill health and not qualified for full benefit when admitted to the Union, is limited to a funeral allowance of $50.(1) The Boot and Shoe Workers' Union provides that members sixty years of age, or those afflicted with chronic diseases at time of initiation shall be eligible to half benefit only.(2) The Brotherhood of Painters pays to members of sound health and over fifty years of age when admitted a semi-beneficial benefit of $50 and a funeral benefit of $25 in case of death of wife.(3) The Pattern Makers provide that, if any member withdraw, is suspended, or expelled, and is reinstated after becoming fifty years of age, he shall become a "non-beneficial" member.(4)

This feature has received comparatively little attention on the part of American unions. Due no doubt to the fact that such persons are not considered unsurable risks. The whole principle, based upon charitable rather than economic basis, is against the best interests of the

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(1) Carpenters' Constitution, 1903. (Indianapolis, n.d.), Sec. 65 and 98.
(2) Boot and Shoe Makers' Constitution, 1904. (Boston, n.d.), Sec. 68.
(3) Painters' Constitution, 1904. (La Fayette, n.d.), Sec. 133.
(4) Pattern Makers' Journal, Vol. 13. (April, 1904).

organized unit. The object of trade union benefits is to do the greatest good to the greatest number, and thus to increase union men, to secure greater loyalty among the members, and in the end to secure a stronger and a more powerful protective organization. Benefits to "non-beneficial" members tend towards charitable relief and hence oppose these principles.

Nothing is more indicative of the dangers to which such a benefit may lead than the fact that only a very few unions have attempted this further departure from the restrictions ordinarily enforced by the old line companies. Two of these unions, the Carpenters and the Boot and Shoe Workers, have assumed the responsibility of guaranteeing, to men of ill health or those afflicted with chronic diseases, protection against death. These unions have laid aside the principle of insurable risk and have substituted one of charitable relief. They have taken a step further than any old line company. They offer protection to applicants beyond the age limit of many companies and under conditions that old line companies have long since refused.

Another serious disadvantage that will come sooner or later from this departure is certain and inevitable undermining of the whole benefit laws. The attitude of the older organizations may be to some sufficient argument against semi-benefit laws. They have not tried and found

the scheme at fault, but with their primary purpose of organization--to do the greatest good to the greatest number of union men--constantly their guide, the principles of semi-benefits repel rather than attract. In some unions the membership is too small to assume a double burden for the full member; in others the benefit would be too large, or those who would come under the law are too numerous. In general the majority of the unions have assumed a conservative policy and have not extended their obligations beyond the lines fixed by insurance companies other than the risks incurred in the vocations of their members. This being one chief object of protection, the more conservative unions have confined themselves to this field.

Successful operation of death and disability benefits depends largely upon sufficient revenue for their maintenance. Systems for raising necessary funds have been worked out along with other functions of unionism. Many unions in their development have shown attempts to operate under systems of law dues, and consequently have had a scarcity of funds with which to meet their legal claims. But experiences of the older unions have been to increase the supply of funds as their demand increased.

The history of the revenue has been a development pari passu, in some measure, with government or collective agreement. The most clearly defined stages are best seen

in the typical unions: the Iron Molders, the Deutsch-Amerikanischen Typographia, the Cigar Makers, the Typographical Union, the Carpenters, the Boot and Shoe Workers. For twenty years the apportionment of weekly dues to the death and disability fund in the Iron Molders varied. In 1878 it was 25% of the monthly tax. In 1886 this had increased to 40%; and not until 1890 were their funds sufficiently large and secure to warrant a permanent apportionment of 16%.(1) Inadequacy of funds has been a serious defect also among the Cigar Makers. In 1896 the officials claimed that only through the aid of transient members was the union able to meet all death claims.(2) The death rate and the revenue have not always increase proportionally. In 1890 with a membership of 24,624 the Union paid $26,040 in death claims, an average of $1.05 per member; in 1901 with an increase in membership to 33,974 members it paid $138,456.38, or $4.07 per member. The death claims increased more than five-fold, while the revenue per capita for benefit purposes has remained practically unchanged. Similar results have appeared in other unions where the supply of death funds has been subjected to more or less changes.

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(1) Constitution, 1878. (Cinn., 1878), Art. 5; 1886 (Cincinnati, 1886), Art. 17; 1890 (Cincinnati, 1890), Art. 6.

(2) Cigar Makers' Journal, Vol. 21, February, 1896, p.5. By transient members are meant those who seldom remain in the union long enough to be entitled to benefits, men who pay two or more initiation fees a year.

The majority of these unions collect fixed per capita monthly or weekly dues. Of these amounts there is some distribution--definite and systematic in some unions, but less so in others--for the maintenance of the several functions of the organizations. For the support of the beneficiary departments there are at least five distinct systems in operation. Of these two, those represented by the Iron Molders and the Cigar Makers, may be said to be fundamental types, while the others are more or less differentiations from one of the principal norms. In the first place the Iron Molders and the Typographical Union maintain separate funds for each department of the organization. Under this system there is an independent death or disability fund for the payment of death and disability claims. The second principal system is that represented by the Cigar Makers' Union in which there is no division of funds for different purposes, but all revenue is held by the local unions, the combined strength of whose funds makes the general fund of the International Union from which death claims, as well as all others, are paid. Other unions, that have adopted this plan, are the Typographia, the Carpenters, the Plumbers, the Wood-Workers, The Granite Cutters, the Leather Workers on Horse Goods, and the Machinists. Besides these two well defined systems, three others are in use: that maintained by the Boot and Shoe Workers, the Pattern Makers, and the Tobacco

Workers, in which sick and death funds are combined into one; that of the Glass Bottle Blowers where no regular dues are collected but a per capita tax is levied whenever a death occurs, unless there is sufficient surplus over the reserve to meet the death claim, and lastly the system of the Elastic Goring Weavers in which a pro-rata assessment is levied to pay a fixed benefit.

This differentiation in methods of supplying funds is a natural result. The different classes of laborers, the diversity of environment of the men and their occupations, and the dissimilarity and variety of their wants, all have contributed to increase the complexity of the means used to provide sufficient revenue. The Cigar Makers and the Iron Molders being two of the oldest organizations, have contributed much to solve this question of revenue for benevolent purposes, and yet they have quite distinct systems--not because the Cigar Makers have tried and proved impracticable the Iron Molders' system, or vice versa, but rather because in their efforts to arrive at centralized forms of government each union, in case of revenue for benefits as in every other function, has been compelled to adopt such methods as best suit its trade conditions. Originally they conceived different methods; later these ideals have been perfected.

Closely allied with the systems of raising revenue is the cost of maintaining the benefit. In determining

this two principal factors enter: (a) the death rate and (b) the character of the membership. With the increased age of the organizations the average age of the membership increases and a greater per cent. of deaths and disabilities follow. The addition of new members and the introduction of improved methods of administration have not served to prevent a gradual increase in claims paid. This proportionate increase in claims has been greater than the membership and a corresponding rise in cost per member has followed.

Year	Cigar Makers	Typo-graphia	Carpen-ters (a)	Typo-graph-ical Union	Iron Mold-ers	Boot and Shoe Work-ers	Leather Workers on Horse Goods	Gran-ite Cut-ters	Glass Bot-tle Blow-ers.
1882	.15								
1883	.20								
1884	.33								
1885	.35	2.11	(2)						
1886	.20	1.05	.69						
1887	.43	1.94	.66						
1888	1.23	2.58	.66						
1889	1.06	1.85	.90						
1890	1.03	1.94	.90						
1891	1.51	2.23	.99					.92	
1892	1.60	1.60	1.38	.41				1.02	
1893	1.74	2.20	1.38	.72				1.37	
1894	2.12	4.36	1.62	.81	(2)			1.28	
1895	2.27	3.51	2.46	.78	.44				
1896	2.69	2.36	1.62	.78	.44				
1897	2.44	4.23	1.77	.84	.44				
1898	3.30	2.63	1.80	.80	.44				4.66
1899	3.13	1.27	.99	.83			.31		
1900	2.64	3.13	.81	.78	.42		.11		
1901	3.67	4.09	.90	.72	.54	(3)	.28	1.18	
1902	3.11	3.58	1.10	.80	.57	1.09	.39	1.21	
1903	3.14	3.25	.92	.72	.60	3.11	.34	1.16	
1904	3.24	2.26	1.18	.84	.64	3.15	.55	1.11	
1905	3.56	4.09	1.30	.84	.72	3.13	.38	1.53	5.93
1906		2.71	1.23	.79					

(a) Taken from Gen'l Secty. Duffy's Report, 1906, p.84. Presumably based on the average membership for each year.
(2) Death and Disability combined.
(3) Sick and death combined.

This table shows the general tendency is for an increased cost per member in the benefits as the unions grow larger. The membership has not increased sufficiently to offset the principal influences--as increase of members entitled to the higher benefits where graduated benefits are paid and an increase in the percentage of death rate--that tend to raise the per capita cost. Scarcity of statistics does not permit satisfactory comparisons in the different unions. But it is evident that in those unions, as the Cigar Makers and the Iron Molders, in which graded amounts are paid according to definite periods of membership, the increase in cost permember per year is greater than in the Typographical Union and the Typographia in which a level amount is paid for all ages. As between the Cigar Makers and the Iron Molders the percentage of increase is a fraction greater in the latter, both in cost of the benefit and in the growth of membership. And yet the actual cost per member in the Cigar Makers is about six to one in the Iron Molders.(1)

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(1) The following table gives for 1900-1905 inclusive in the Cigar Makers' and the Iron Molders' Unions the percentage increase in membership and in the cost per member.

	Percentage increase in Members		Percentage increase in cost	
	Cigar Makers	Iron Molders	Cigar Makers	Iron Molders
1900	.17	.16	-.15	
1901	.0005	.12	.38	.28
1902	.08	.18	-.15	.055

On the other hand in the Typographical Union and the Typographia somewhat different conditions exist. Each organization pays the same amount for all ages. The Typographical Union, during the last ten years, with exception of 1906, has shown a steady increase in membership, and a very inconsiderable increase in cost of the benefit during the second half of this period; while the Typographia has gradually decreased in membership with more or less variations in cost, but at the same time showing a slight increase per capita during the last five years.

In general the variations in cost of death benefits per member among these unions may be reduced to five fundamental causes: the age of the union, the character of the membership of the union, the degree of risk involved in the nature of the trade, the amount paid per death, and the character of the benefit paid--whether a level or a graduated amount.

This general tendency to an increase throughout these organizations is a natural result. Here as in case

	Percentage increase in Members		Percentage increase in cost	
	Cigar Makers	Iron Molders	Cigar Makers	Iron Molders
1903	.061	.25	.0096	.05
1904	.056	.028	.031	.066
1905(1)	-.035	.08	.098	.012
Yearly Average	.053	.136	.032	.56

(1) Denotes a decrease.

The average cost per member in the Cigar Makers' Union during the ten years of 1896-1905 was $3.09, while in the Iron Molders it was fifty-two cents.

of all fraternal benevolent societies, the average age of the members increases yearly. They are not natural feeders for other organizations, as in the case of the Brotherhood of Locomotive Firemen and the Brotherhood of Railroad Trainmen to the Brotherhood of Locomotive Engineers and the Order of Railway Conductors respectively, and consequently on account of the absence of some such means of reducing the average age, the unions necessarily have a larger per cent. of old men, a larger death rate, and a heavier cost.

This increase in cost has been met, or in some measure off set, by an increase in the weekly or monthly dues. Originally the Cigar Makers paid 10 cents per week, at present they pay 30 cents per week; in 1882 the Iron Molders paid 25 cents per month, at present the dues are 25 cents per week; the Boot and Shoe Workers struggled for several years under 10 cents dues, since 1899 the union has run on a 25 cents per week basis. The following table shows the increase in dues twelve of the principal unions have made during their development.

Name of Organization	Originally or Earliest Constitution		At Present	
	Cons't'u	Dues	Cons't'u	Dues
Cigar Makers	1870	.10[a]	1896[c]	.30[a]
Typographia	1884	.25[a]	1901	.45[a]
Iron Molders	1882	.25[b]	1902	.25[a]
Carpenters	1882	.35[b]	1905	.50[b]
Plumbers	1897	.25[d]	1904	.30[a]
Typographical Union	1891	.15[b]	1904	.35[b]
Granite Cutters	1877	.25[b]	1905	1.00[b]
Boot & Shoe Workers	1896	.10[a]	1906	.25[a]
Leather Workers on Horse Goods	1897	.25[a]	1904	.25[a]
Machinists	1891	.50[b]	1903	.75[b]
Pattern Makers	1898	.90[b]	1906	.25[a]
Painters	1899	.35[b]	1905	.20[b]

(a) Weekly dues.
(b) Monthly dues.
(c) 14th Edition (1906).
(d) Quarterly.

In each of these unions there has been an increase of dues as the organization developed. The majority of trade unions still maintain systems of low dues, but have at the same time been compelled to increase the tax, whether payable monthly or weekly, though the majority of this twelve, among which are the most highly organized of American Unions, have accepted high dues as the best method of maintaining the most satisfactory system of benefit.

In the cost of death or disability benefit the length of period of membership under which the member becomes eligible to a benefit enters as an important factor. The element of time qualification determines in a large measure the degree of satisfaction a member enjoys after becoming identified with his trade organization. He is assured that, after being connected therewith for a fixed period, he is entitled to a definite sum in case of death or disability. Consequently $50 at the end of six months' continuous membership may be cheaper at 75 cents per month than $100 at the end of one year at a 20 cents per month. The Glass Bottle Blowers pay $500 to a member in good standing in case of death without regard to the length of period of membership, while the Iron Molders and the Cigar Makers pay $200 and $550 respectfully after a continuous membership of fifteen years--the former charging 25 cents per week and the latter 30 cents per week. Under

ordinary conditions the Glass Bottle Blowers' $500 at an assessment of 15 cents for each death is the cheaper insurance and except in extraordinary circumstances every member who draws this amount will have paid less than a member of an equal period of good standing in many other unions would pay. The table above (page 167) contains a list of the principal unions that pay death or disability benefits with the time requirement for eligibility affixed in case of its applicability. This requirement for a $100 benefit varies from 30 days in the Lithographers Association to six months in the Carpenters and the Plumbers, one year in the Iron Molders and the Painters, two years in the Machinists and the Boot and Shoe Workers, three years in the Wood Workers and four years in the Leather Workers on Horse Goods. The Glass Bottle Blowers pay a $500 benefit to members not in arrears for one month's dues, while the Lithographers offer a like sum to members of six months' standing. The Brotherhood of Painters furnish $100 on one year's membership or $150 on two years, at a per capita tax of 20 cents per month. In this they justly claim the place of offering a more liberal benefit than many organizations that collect a larger per capita tax. The time requirement in the Lithographers' Association varies from thirty days, after $50 may be drawn, to six years as the minimum period in which the maximum benefit of $500 may be drawn. This

organization is an example of the experimental type, the efficiency of which has not yet been thoroughly tested, but with the experience of the older unions as an example of what the average trade union will accomplish in this field, it is safe to predict more or less modification of its present laws, or absolute failure ultimately.

The cost of protection furnished by trade unions in the payment of death or disability benefits might better be appreciated when compared with that in old-line insurance companies. But it is impossible to show with any degree of precision the full benefit the union man receives from his organization by a comparison of the cost of a $100 or a $500 death benefit with the amount he would have to pay for a similar benefit in an old line company. The trade unions combine protection against death with that against permanent or total disability joined with many other derivative trade benefits of vast importance in the measurement of the total good received; while the old line companies offer a definite amount of insurance together with a weekly indemnity, according to special agreement, at extra rates because of the more hazardous nature of the occupation in which the insured is engaged. The entire benefit received from insurance companies is fixed and invariable, while in trade unions the member gets a definite amount supplemented by many trade advantages consequent on his connection therewith. The following table

gives annual premiums on $1000 accident insurance and $5 weekly indemnity on $1000 accident insurance alone, and $5 weekly indemnity alone in a standard company for the various occupations.

Class of Laborers.		$1000 + $5 Insurance and weekly indemnity	$1000 Insurance against Death by accident.	$5 Weekly indemnity only.
Cigar Makers	(O)	$ 7.50	$ 3.75	$ 5.63
Pressmen	(O)	7.50	3.75	5.63
Printers	(P)	5.00	2.50	3.75
Plumbers	(M)	10.00	6.00	7.50
Machinists	(M)	10.00	6.00	7.50
Painters	(M)	10.00	6.00	7.50
Pattern Makers	(M)	10.00	6.00	7.50
Carpenters	(M)	10.00	6.00	7.50
	(S)	12.50	7.50	9.38
	)O	7.50	3.75	5.63)
	(M	10.00	6.00	7.50(
Iron Molders	)S	12.00	7.50	9.38)
	(E	15.00	9.00	11.25(
	)E-H	20.00	12.00	15.00)
	)O	7.50	3.75	5.63)
Boot & Shoe	(M	10.00	6.00	7.50(
Workers	)H	12.00	9.00	11.25)
	(O	7.50	3.75	5.63)
Wood Workers	)M	10.00	6.00	7.50(
	(S	12.50	7.50	9.38)
	)H	15.00	9.00	11.25(
	(E-H	20.00	12.00	15.00)

P = Preferred risk)
O = Ordinary " (
M = Medium ")
S = Special " (
H = Hazardous ")
E-H = Extra-hazardous risk (

Classification of the different trade occupations according to the degree of risk involved.

This table shows that the laboring man is classified according to the character of his trade and the degree of risk to which his life is subjected. The classification, according to risk involved, usually followed by accident insurances companies is as follows: "select,""preferred," "extra-preferred," "ordinary," "medium," "special," "hazardous," and "extra-hazardous." These are arranged in order, from the minimum rate to the maximum. Reference to the table shows that the above classes of labor union men are, for the most part, classed under the highest rates. The ordinary printer, operating the Linotype machine, or the ordinary compositor, who is subjected to very little risk of accident, falls in the "preferred" class, while the pressman comes under the "ordinary" class. The plumber, the machinist, the painter and the pattern maker are class as "medium;" the carpenter and joiner, "medium" or "special;" the iron molder, "ordinary," "medium," "special," or "hazardous;" the boot and shoe worker, "ordinary," "medium," or "hazardous;" the woodworker, "ordinary," "medium," "special," "hazardous," or "extra-hazardous." By table, page 176, above the Iron Molders' Union paid death and disability and the Typographical Union paid funeral benefits during 1904 at a cost of 64 cents and 84 cents respectively per member. But the former of these guarantees a $100 benefit for 83 cents per member, or at the same ratio, $1000 at a cost

of $8.30, while the Typographical Union pays a $70 benefit for 90 cents, or at the same ratio, $1000 at a cost of $12.85. On the other hand old line companies will furnish an ordinary printer (1) $1000 insurance against death by accident and $5 weekly indemnity at an annual premium of $5, or insurance against death by accident or weekly indemnity separately. The same company offers to iron molders $1000 accident insurance and $5 weekly indemnity at an average cost of $11.25 per year. When the actual amount received, in case of death by accident, is considered separately from all other advantages derived from membership therein, the printer gets a better contract from old line companies, while the iron molder receives the greater amount from his union. The Typographical Union is a representative of the class of unions in which insurance, against death by accident, is cheapest from the standpoint of old line companies, while the Iron Molders' Union represents a class slightly above the medium. The latter organization contains members upon whom risks vary from "ordinary" to "hazardous," while in the Wood-Workers' Union the risks vary from "ordinary" to "extra-hazardous." Hence in the Wood-Workers' Union, the average cost of insurance per $1000, viz: $13.00, is greater than for a similar amount in the other unions.

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(1) Including linotype operator, compositor, foreman of job or composing room, but not pressman.

Death insurance issued by accident companies caused by accident while engaged in the trade does not furnish a just measure of the benefit the trade union man receives from the premium paid. The majority of the benefit systems maintained by labor organizations are founded upon principles of benevolence and fraternity rather than upon strictly economic. Consequently the actual differences of costs in dollars and cents does not furnish adequate means for measuring the differential of amount of benefits enjoyed. In many unions, therefore, the actual cost of these benefits is greater for a given amount than for an equivalent amount in old-line companies, but the relative amount of satisfaction received is greater proportionally.

When, however, cost of insurance against death for all causes, natural and accidental, is considered both the iron molder and the printer get much cheaper rates from their fraternal organizations. At the age of thirty-five years in a prominent insurance company (1) the iron molder and the printer are rated at $27.30 per $1000 insurance, a rate more than three times that charged by the Iron Molders' Union and more than double that required by the Typographical Union. Insurance on this basis is, therefore, much cheaper in the labor organization.

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(1) New England Mutual.

The amount of individual benefit the average union man receives from his organization is in a large measure determined by the personal advantage he receives, but to this must be added the benefit the organization as a whole receives. This maximum benefit is best seen in the amount paid each year to the deceased members' beneficiaries, heirs, or legal representatives. The data in the following tableare sufficient to give a fair estimate of the importance of death and disability, or funeral benefits, and the prominent place the feature has occupied in the trade union field.

Cigar Makers - Death Benefits

Year(2)	30¢ Contributing Members	15¢ Dues Paying Members	20¢ Beneficiary Retired Card Holders	Death Benefits	Cost per Member per Year
1880	4,440				
1881	14,604			$ 75.00	.005
1882	11,430			1,674.25	.15
1883	13,214			2,690.00	.20
1884	11,871			3,920.00	.34
1885	12,000			4,214.00	.35
1886	24,672			4,820.00	.20
1887	20,560			8,850.00	.43
1888	17,133		168	21,319.75	1.23
1889	17,555		496	19,175.50	1.06
1890	24,624		713	26,043.00	1.03
1891	24,221		957	38,068.35	1.51
1892	26,678		1,229	44,708.97	1.60
1893	26,788		1,518	49,458.33	1.74
1894	27,828		1,497	62,158.77	2.12
1895	27,760		1,644	62,725.98	2.27
1896	27,318		1,873	78,768.09	2.69
1897	26,347	118	1,859	69,186.67	2.44
1898	26,460	203	2,049	94,939.83	3.30
1899	28,994	341	2,252	98,993.83	3.13
1900	33,955	652	2,584	98,291.00	2.64
1901	33,974	860	2,863	138,456.38	3.67
1902	37,023	1,103	3,105	128,447.63	3.11
1903	39,301	1,343	3,605	128,975.91	3.14
1904	41,536	1,380	3,904	151,752.93	3.24
1905	40,075	1,312	4,297	162,818.82	3.56
1906					

(1) The membership of the Cigar Makers is divided into "30 cents contributing members," who are entitled to all benefits; "15 cents dues members," who receive strike and not more than $50 death benefit; "20 cents beneficiary retiring card holders," who receive sick and death benefits. In obtaining the cost per member per year of the several benefits, to the International Union these facts must be considered.

(2) Year ending October 31, prior to January 1, 1886, since then on December 31.

Deutsch-Amerikanischen Typographia - Death Benefits

Year (Ending July 1)	Membership	Death Benefits	Cash per Member per Year
1885	559	$ 1183.10	$2.10
1886	952	1000.00	1.05
1887	1075	2125.00	1.94
1888	1127	2910.00	2.58
1889	1130	2093.00	1.85
1890	1233	2400.00	1.94
1891	1322	2950.00	2.23
1892	1382	2251.70	1.62
1893	1380	3046.65	2.20
1894	1204	5251.75	4.36
1895	1092	3835.00	3.51
1896	1115	2637.41	2.36
1897	1083	4572.65	4.23
1898	1100	2900.00	2.63
1899	1071	1365.00	1.27
1900	1044	3275.00	3.13
1901	1023	4185.00	4.09
1902	997	3575.00	3.58
1903	997	3250.00	3.25
1904	994	2255.00	2.26
1905	976	3995.00	4.09
1906	974	2700.00	2.71

Iron Molders - Death and Disability Benefits

Year	Membership	Benefits	Cost per Member per year
Prior to Feb. 26,1874		)$10,309.00	
to		(	
July 1, 1875		) 4,480.90	
July 1, 1876	(1)	(1,350.00	
June 15,1878		(685.25	
July 17,1882		) 965.48	
Jan.1, '80, June 20, '82		12,500.00	
July 1, '82,April '84		12,600.00	
April '84, July '86		19,800.00	
July '86, June 20, '88		16,350.00	
June 20, '88, June '90		21,964.00	
" 1890, " 1895	(2)	58,572.00	
" 1895, " 1899	(Average)	40,499.90	
" 1899, Jan.1900	27,825	5,300.00	
1900	48,115	20,312.92	.42
1901	54,251	29,738.46	.54
1902	64,472	37,226.00	.57
1903	80,758	48,672.65	.60
1904	83,071	53,786.40	.64
1905	88,673	64,677.77	.72
1906	96,017		

(1) Paid by the Beneficial Association.

(2) 1895 - 20,920 1899 - 41,189 1903
1896 - 23,003 1900 - 48,115 June 30, 1903 - 76,416
1897 - 25,072 1901 - 54,251 1904
1898 - 28,941 1902 - 64,472 1905
1906

United Brotherhood of Carpenters - Death and Disability Benefits (1)

Year (ending July 1)	Membership	Benefits	Cost per Member per Year	(2) or.
1883	3,293	$ 1,500.00	.42	
1884	4,364	2,250.00	.51	
1885	5,789	5,700.00	.98	
1886	21,423	9,200.00	.43	.69
1887	25,466	16,275.16	.63	.66
1888	28,416	18,750.00	.66	.66
1889	31,494	25,575.00	.81	.90
1890	53,769	32,267.49	.60	.90
1891	56,937	44,732.65	.79	.99
1892	51,313	72,613.35	1.41	1.38
1893	54,121	64,684.45	1.19	1.38
1894	33,917	59,972.50	1.76	1.62
1895	25,152	51,311.75	2.04	2.46
1896	29,691	39,690.35	1.33	1.62
1897	28,269	40,229.45	1.42	1.77
1898	31,508	43,953.99	1.39	1.80
1899)		(51,365.58)		.99
1900(	68,463	(53,757.90)	1.53	.81
1901)		(71,521.25)		.90
1902(	122,568	(110,470.90)	1.48	1.10
1903)		(132,539.40)		.92
1904(	161,205	(184,271.45)	1.96	1.18
1905	161,217	185,632.80	1.15	1.30
1906	170,192	194,438.64	1.14	1.23

(1) The amounts given here represent all payments for benefits, including disability benefits, wife's funeral benefit, semi-beneficial members' funeral benefits, and members' funeral benefits.

(2) Ref. Report of Gen'l Sect'y Duffy, 1906, p. 84, given as the average cost per member per year.

International Typographical Union - Death Benefits

Year (ending June 30)	Membership	Death Benefits	Cost per Member per Year
1891	25,165		
1892	28,187	$11,500.00	.41
1893	30,454	21,950.00	.72
1894	31,379	25,500.00	.81
1895	29,295(1)	23,000.00	.78
1896	28,838	22,674.00	.78
1897	28,096	23,700.00	.84
1898	28,614	23,040.00	.80
1899	30,646	25,800.00	.83
1900	32,105	25,140.00	.78
1901	34,948	25,245.00	.72
1902	38,364	30,810.00	.80
1903	42,436	30,940.00	.72
1904	46,165	38,925.00	.84
1905	46,734	39,690.00	.84
1906	44,980	35,840.00	.79

(1) Secretary-Treasurer in his report to 43rd Session of General Convention, October, 1896, attributed this decrease to introduction of machinery and business depression.

Granite Cutters' Union - Death Benefits

Year	Membership (approximate)	Benefits	Cost per Member per Year (approximate)
		(1)	
Nov. 1, 1890	8000	$ 6,903.90	
" 1, 1891	8500	7,875.00	$ .92
" 1, 1892	7000	7,159.60	1.02
" 1, 1893	8200	11,267.75	1.37
" 1, 1894	7000	9,020.98	1.28
May 1, 1895	----	1,615.60	----
" 1, 1896	----	10,255.65	----
Jan. 1, 1897	9000	4,375.00	.48
" 1, 1898	9800	7,585.10	.77
1899		)	
1900		(19,331.80	
1901	8000	9,482.17	1.18
1902	9500	11,500.00	1.21
1903	10000	11,607.00	1.16
1904	13500	14,996.00	1.11
1905	13500	20,788.63	1.53

(1) Total amount paid up to November 1, 1890.

Leather Workers on Horse Goods - Death Benefits

Year (ending June 30)	Membership	Benefits	Cost per Member per Year
1899	930	$ 290.00	.31
1900	2396	260.00	.108
1901	3900	1,000.00	.28
1902	4700	1,840.00	.39
1903	6124	2,080.00	.339
1904	7758	4,200.00	.55
1905	6729	2,550.00	.38

Boot and Shoe Workers - Sick and Death Benefits

Year	Membership	Benefits (Sick and Death)	Cost per Member per Year.
1898			
1899			
1900		$ 2,155.04	
1901		17,755.36	
1902	28823	31,520.48	1.09
1903	31975	99,713.96	3.11
1904	28504	90,006.05	3.15
1905	29990	94,133.35	3.13

Glass Bottle Blowers - Death Benefits

Year (ending July 1)	Membership	Benefits	Cost per Member per Year.
1895		$14,866.50	
1896		13,333.50	
1897		16,800.00	
1898	3000	14,000.00	$4.66
1899		13,500.00	
1900		19,000.00	
1901		23,000.00	
1902		35,500.00	
1903		33,500.00	
1904		45,000.00	
1905	7500	44,500.00	5.93
1906		47,885.20	

Brotherhood of Painters, D. & P. - Death & Disability Benefits

Year	Membership (approximate)	Benefits	Grand Total	Cost per Member
Mch., 1887	600			
Aug., 1888	7000	$ 775.00		.11
" 1890	9000	4,219.00		.47
" 1892	10000	10,000.00		1.00
" 1894	20000	15,935.90		.79
" 1896	8400	6,844.50		.81
" 1897	9900	4,771.25		.48
Dec., 1899	16527	12,150.00		.74
" 1901	28875	28,195.00	Up to Jan.1	.97
June 30, 1903	64093	47,945.25	1904, viz:	.74
Jan. 1, 1904	68000	26,336.25		.38
			$179,075.15	
1904		52,205.00)		
1905	58000	70,923.38(	218,675.21	
Up to Nov.1,1906		95,546.83)	397,750.36	

Tailors' Union - Death Benefits

Year	Membership	Benefit (Death)
1890	3410	
1891	4116	$11,250.00 (Jan.-July, 1891)
1892	5471	
1893	8600	36,705.00 (July '91 to Jan. '94)
1894	8400	12,191.00
1895	8300	10,298.50
1896	8900	6,449.65
1897	10300	3,722.70 (Jan.-June '97
1898	10845	
1899	11470)	
1900	11930 (	
1901	12200)	10,716.19 (July, 1899-June, 1901)
1902	12780 (	
1903	13460)	15,312.40 (July, 1901-June, 1903)
1904	15100	
1905	16000	13,678.00 (July, 1903-Jan., 1905)
1906		

Barbers - Death Benefits.

Year (ending Dec.31)	Membership	Benefits	Cost
1898	3749	$ 661.13	
1899		7,460.64	
1900	(Aug.1)	9,470.97	
1901	13201	16,856.90 (Jan.-Sept.)	
1902		24,970.17	
1903	(Aug.1)	36,136.71	
1904	23386	34,961.53	
1905		18,769.75	
1906		(Jan.-April)	

Hotel & Restaurant Employees Death Benefits

Year ending May 1	Members	Benefits
1901	9522	
1902	18268	
1903	38571	$ 2,700.00 (Feby.-April)
1904	50430	23,050.00
1905		22,900.00

Metal Polishers - Death Benefits

Year ending June 1	Member-ship	Benefits	Cost per Member per Year
1899	3700	$ 700.00	.19
1900	7392		
1901	9453	1,550.00	.16
1902	12215	3,625.00	.29
1903		4,300.00	
1904		9,450.00	
1905		8,391.80	
1906			

Amalgamated Wood-Workers Death Benefits.

Year	Members	Benefits
1896		$ 375.00
1897		225.00
1898		900.00
1899		1,650.00
1900		2,850.00
1901		4,200.00
1902		3,075.00
1903		5,775.00
1904		7,574.00
1905		
1906		

The data contained in these tables are for the most part self explanatory. However, some phases are worth while careful notice. In the first place compare some of those organizations that were paying benefits during the financial and industrial depression of 1893--1897, and some of those that inaugurated the benefit after the most detrimental influences of this period were spent. The unions of the first class are the Cigar Makers, the Deutsch-Amerikanischen Typographia, the Typographical Union, the Iron Molders, the Brotherhood of Carpenters and Joiners, the Brotherhood of Painters, the Granite Cutters' Union, the Glass Bottle Blowers, and the Journeymen Tailors. Those of the second group are the Wood-Workers, the Brotherhood of Leather Workers on Horse Goods, the Barbers' Union, the Metal Polishers, and the Hotel and Restaurant Employees and Bartenders. Of the first group, the Typographical Union, the Typographia, the Carpenters, and the Painters lost heavily during this period. The membership of the Typographical Union decreased 3283, or nearly 10 1/2% from 1894 to 1897, that of the Typographia 295 or 21% from 1893 to 1897, and that of the Painters 11600 or 58% from 1894 to 1896. While on the other hand the Cigar Makers' Union and the Tailors' Union experienced only a nominal decrease; the former lost 971 members or 3 1/2% during 1896-7, the latter lost 300 or 3 1/2% during 1893-6.

The exact nature and source of the causes underlying these reductions can not be fixed with perfect accuracy, but their general tenor may be given in a few words. The basis of the whole matter lies in the preparedness or unpreparedness of the union to face any sudden emergency. Just as the "history of labor organizations," says Carroll D. Wright, "has proved that only those Unions with beneficiary features attached are long-lived," so those unions with the best systems of benefits, supported by a strong reserve, are better able to overcome the disastrous effects of sudden and long continued industrial depressions. At the commencement of this panic the Cigar Makers had the experience of a score of years with a well founded system of benefits. Consequently the decrease in membership was slight--many members being able to retain their standing by aid of the out-of-work benefits.(1) Yet the effect of the depression is perceptible in the increase of death benefits paid during 1894, 1895, 1896--an increase from $49,458.33 in 1893 to $62,158.77 in 1894 and to $78,768.89 in 1896. On the other hand the Deutsch-Amerikanischen Typographia--an organization with an equally well developed system of benefits, but with a much smaller membership--the falling off was much greater proportionally, and

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(1) The out-of-work benefit, inaugurated in 1890, was in full force during this period and the increase in out-of-work benefits from $17,460.75 in 1892, to $89,402.75 in 1893, to $174,517.25 in 1894, and to $174,767.25 in 1896, gives some conception of its place in an industrial panic.

the differentiation in death benefits at greater variance. The Typographia suffered a decrease of 285 or 21% from 1893 to 1895 with a slight increase over 1895 in 1896. The amount of death benefits increased 72% from 1893 to 1894, declined 99% by 1896, and then rose again to 73% by 1897. In other words it cost the Typographia $2.20 per member in 1893 to meet all death benefits, $4.36 in 1894--the maximum cost in the history of the organization--$2.36 in 1896, and $4.23 in 1897. The principal distinction between the Cigar Makers' Union and that of the American-German printers, and hence the chief cause of the great difference in percentage of membership lost lies in the character of the members constituting the two unions. In the latter the membership is wholly foreign, and hence its increase or decrease was affected very largely by immigration as well as by the panic. In other words the presence of an industrial panic in America retarded the influx of German printers and hence cut off this union's source of supply.

The percentage of decrease in membership was greatest in the Brotherhood of Carpenters and Joiners and in the Brotherhood of Painters. In the former the membership decreased 50% from 1891 to 1895; in the latter 58% from 1894 to 1896. The amount of death benefits increased 62% from 1891 to 1892, from which there was a gradual decline of 41% by the close of 1895, or from an amount

equivalent to 99 cents per member in 1891 to $2.46 per member in 1895--the maximum cost in the history of the Brotherhood. In case of the Painters the decrease of 58% in two years was due partly to the panic and partly to the division of the Brotherhood into two factions. The 58% decrease in amount of death and disability benefits from 1894 to 1896 must therefore be attributed largely to this disruption within the organization. In each of these unions the contrast in the effects of incomplete and inadequate systems of benefits as compared with those of the Cigar Makers and the German-American printers is very noticeable. The two latter unions were able to expend large amounts from the out-of-work fund to aid their members in retaining themselves in benefit. During 1894 and 1896 the Cigar Makers paid respectively $6.27 and $6.43 per member from out-of-work funds, while for the years ending July 1, 1894, and July 1, 1895, the Deutsch-Amerikanischen Typographia spent respectively $14.33 and $8.66 per member. The Carpenters and the Painters had no such source of protection and hence their members suffered greater proportionally.

The second group of unions, consisting of the Amalgamated Wood-Workers, the Brotherhood of Leather Workers on Horse Goods, the Barbers, the Metal Polishers, and the Hotel and Restaurant Employees' Alliance and Bartenders' League were organized on the eve of the close of the

depression or after its influence was well spent. Consequently their membership and the per capita amount paid in death claims show no remarkable variations.

In general these tables show that the amount of death or disability benefits paid each year tends to increase both absolutely and relatively as the organizations grow older. The history of the Iron Molders, the Cigar Makers, The Typographia and the Carpenters, prove this general statement, and yet during 1904 the Cigar Makers paid out $3.24 per capita, the Typographia $2.26, the Carpenters $1.18, and the Iron Molders 70 cents, each of which is less than that paid out during some one previous year. But this, which is a natural consequence in all benevolent or fraternal insurance societies, was due to some unforeseen event entirely beyond the control of the unions. The average benevolent organization has no means of displacing the old members and of filling its ranks with younger men as has been the case with the Brotherhood of Locomotive Firemen. Naturally, therefore, year by year, the death rate increases and the amount in death benefits shows a corresponding increase. To off-set the detrimental effects of this tendency there is no other alternative than to reduce the death rate by bringing in new and younger material each in greater proportions than the numbers dying.

CHAPTER IV.

SICK BENEFITS.

The benefit second in importance among those maintained by American trade unions is the sick benefit - in behalf of members sick or disabled in such a manner as to disable them to pursue their regular vocation. The origin of this benefit may be said to have been prior to that of any other among the industrial crafts, but because of its nature and the circumstances under which it is paid the development of national systems has been retarded. Under American influences prominence has been given it first among local organizations and secondly as a national feature. Consequently American unions present this phase of benevolence along two principal lines of development. In the first place we have those systems under the supervision of local unions maintained either by the local unions themselves or by local unions under general supervision of the national organizations and secondly those immediately controlled and directly administered by the national officials. In this study the subject is considered from a national standpoint only, and yet frequent references are made to the benefits of subordinate unions as the original source of the national benefit. In many cases, as is shown later, the national organization has been dependent upon the sub-

ordinate union to solve the problem as to the success or failure of the sick benefit. Consequently, the systems of sick benefits maintained by subordinate unions should be considered as means to an end rather than an end in themselves.

Of the one hundred-eighteen unions affiliated with the American Federation of Labor twenty-eight reported payment of sick benefits for the year ending September 30th, 1904.(1) They are: Bakers and Confectioners, Journeymen Barbers, Bill Posters, Boot and Shoe Workers, Brotherhood of Carpenters and Joiners, Amalgamated Carpenters,(2) Cigar Makers, Compressed Air Workers, Foundry Employes, Freight Handlers, Fur Workers, Glass Snappers, Hotel and Restaurant Employes, Jewelry Workers, Leather Workers on Horse Goods, Machine Printers and Color Mixers, Machinists, Mattress, Spring and Bed Workers, Iron Molders, Oil and Gas Well Workers, Piano and Organ Workers, Plumbers, Print Cutters, Street and Electric Railway Employes, Tile Layers Helpers, Tobacco Workers, Travellers' Goods and Leather Novelty Workers, American Wire Weavers. All of these, with one or two exceptions, as the Machinists and the American Wire Weavers,

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(1) "Proceedings of the 24th Annual Convention of the American Federation of Labor" (Washington, 1904) p. 46.
(2) An English Union with branches in United States, with a voting strength of 50 in American Federation of Labor, representing about 4000 members.

pay national sick benefits.

The oldest organizations did not take the initiative in founding national sick benefits, and yet it can be said that the older unions for the most part solved the most difficult problems concerning their introduction and thus prepared the way for their general reception. The following table contains a list of the principal organizations that pay national sick benefits,- arranged in order of introduction -, the year of organization, and the year of adoption of sick benefit laws.

Name of Organizations.	Year Organized.	Year Benefits introduced.	Order of Introduction.
Granite Cutters,	1877	1877	1
Cigar Makers	1864	1880	2
Typographia,	1873	1884	3
Barbers,	1887	1893	4
Iron Molders,	1859	1896	5
Tobacco Workers,	1895	1896	6
Pattern Makers,	1887	1898	7
Leather Workers on Horse Goods,	1896	1898	8
Piano and Organ Workers,	1898	1898	9
Boot and Shoe Workers,	1895	1899	10
Garment Workers,	1891	1900	11
Plumbers,	1889	1903	12

In the above table the Granite Cutters' international Association stands first on the list. Although third in

point of organizing a national union, the Granite Cutters were the first to inaugurate a system of national sick benefits. In their first national constitution, 1877, provision was made for a national voluntary sick benefit for all members of the Union under fifty-five years of age.(1) According to this law all members of the union became entitled to the benefit upon the payment of an initiation fee, varying from $2.00 for all under thirty years of age to $5.00 for all between the ages of fifty and fifty-five years, provided they were of three months' membership and of less than three months in arrears for dues at time of application for aid. The amount of the benefit was fixed at $6 per week during sickness, without any reference to the amount granted during any one year. This benefit, however, was only temporary. In 1888 no cash benefit was paid at all, but members were exempt, during illness, from all dues except funeral assessments; and later, under 1897 constitution, members, in good standing and sick for two months, were exempt from half dues.(2)

The Cigar-Makers was the next to inaugurate a national system of sick benefits. Although a protective or-

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(1) Constitution, 1877(Rockland, Maine, 1877), p. 30.
(2) Granite Cutters' Const?n 1888, Art. 38 ( ); Ibid, 1897, (Baltimore, n.d.), p.32.

ganization was effected in 1864, a national sick benefit was not introduced until the September session of 1880.(1) However, previous to this, sick benefits were paid by local unions and only travelling benefits by the National body. But during this period because of insufficient funds, a lack of protection of these funds against fraudulent use and, in general, because of the inadequate laws for administering the benefit, the system of travelling benefits was an absolute failure. A precedent of this kind made the introduction of a national sick benefit extremely difficult. It, therefore, rested with the local unions to demonstrate the efficiency of sick benefits when placed upon a strictly business basis. Local unions, Nos. 144,39, and 87 were most active in this respect. The efforts of the Brooklyn local, No. 87, at the national convention of 1877, to establish a national benefit, were, for the most part, ineffectual;(2) and yet the combined activities of these locals influenced the National Convention to appoint a committee, at the convention of 1878, to consider and to report on a national sick and death benefit law. This committee made a favorable report in 1879, which was referred to the local unions and finally adopted at the thirteenth annual ses-

(1) Cigar-Makers' Journal, vol. 6, October 10, 1880, p.7.
(2) " " " vol. Oct. 1877, p. 3.

sion, September, 1880.[1] Although the system was based upon principles in practice among trade unions of Great Britain, France and Germany, and although the policy pursued by the Union was considered wise and progressive by prominent cigar makers, it at the same time was met by strong opposition.[2] However, statistics from the reports of the International President prove, beyond doubt, the wisdom of the inauguration of this benefit. These reports show that during 1877-9, with only the strike benefits in operation, out of 3000 members initiated 3750 or 91.6 per cent. were suspended; during September, 1879 to September, 1880, with strike and travelling benefits in force, out of 5453 initiated, 1853, or 33.9 per cent. were suspended, while during September, 1880 - September, 1881, with the sick benefit added, out of 7402 initiated, 1867, or 25.2 per cent. were suspended.[3]

Immediate success of the sick benefit occasioned a gradual increase in the amount paid. So, in 1881 and 1884, the constitution was amended so as to increase the benefit for the first eight weeks to $5 and the second eight weeks to $3 -an increase of 33,1/3% in 1881 and of 25% in 1884.[4]

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(1) Cigar Makers' Jour., vol. June, 1879, p.1; Oct. 10, 1880, p.7. (2) Ib.,vol.6, Feb.10, 1881, p.4.
(3) Cigar Makers' Jour. vol. 6, June 10, 1881, p.1; vol.7, Oct. 1881, p.3. (4) Cigar-Makers' Const., 1881 (New York, 1881), Art. 9. Idem, 1884, Art. 9, (New York, 1884).

These developments increased the popularity of the sick benefit feature and it soon took rank as the greatest and most beneficial of the organization.[1] During 1881, the first year of its operation, only $3987.73 was disbursed on this account, while in 1891, this had increased to $87,472.97 and in 1904 to $163,226.18.[2]

The Deutsch-Amerikanischen Typographia, though active in this field among its local unions for the first eleven years after organization and consequently among the first to pay local sick benefits under supervision of the national Union, did not nationalize the sick benefit until May, 1884. In the first national constitution, adopted April, 1873, provision was made for payment of sick benefits by the subordinate unions.[3] This system, however, was incomplete and unsatisfactory, and in 1879 and 1881 unsuccessful efforts were made to remedy the deficiencies. This desire for a better system finally led to the adoption of a national benefit at the New York Convention, May, 1884. Under the constitution adopted at this session provision was made for strike, travelling, death, and out-of-work

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(1) Cigar-Makers' Jour., vol. 14, Aug. 1889, pp. 10-11.
(2) Idem, vol. 29, no. 7, p.36 (1905).
(3) 25-jahrige Geschichte der Deutsch-Amerikanischen Typographia, p.6; "American Federationist", vol.2, no.4, p.60.

benefits as well as for sickness. The amount of the benefit was originally $5 per week. In 1888 this was increased to $6. In April, 1894, because of business depression and introduction of type-setting machines, the Union was forced to reduce the weekly allowance to the original $5 rate. This amount is at present paid to all members of six months'standing - to begin with the day of notification of sickness - provided the sickness last a full week after notification. For each additional day over a week the member gets 70 cents. After a member draws $250, the weekly allowance is reduced to $3, which may continue for 50 consecutive or non-consecutive weeks, or until the member draws $150 additional - a total of $400 -, after which he receives no further benefit for two years. Members fifty years of age and those passing unsatisfactorily medical examination on entrance pay five cents less weekly dues than regular members, but can draw no benefit until in two years' good standing. After the expiration of this period, they may receive $3 per week until they have drawn $150 after which they receive $1.50 per week until they draw $150 additional, or a total of $225. After this no further aid is given for two years.(1)

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(1) Report of Industrial Commission, vol. 17, p.103 (1901)

Under this system of sick benefits the Union has progressed. For the year ending July 1, 1885, the Union paid to 559 members $2444.85; for year ending July 1, 1894, it paid $7004.07 to 1204 members. From this date to the present, with the exception of 1902 and 1905, the amount of sick benefits paid each year has gradually decreased. During year ending June 30, 1905, $4835.45 was paid to 976 members.[1]

The Iron Molders' Union was among the most tardy of American unions to develope a system of national sick benefits. For many years the leaders of this organization realized the need and the importance of such a benefit, but feared to venture into what many of its strongest men considered an uncertain field. However, as early as 1866, President Sylvis urged the adoption of a funeral and a disability benefit, to which, he said, sick benefits might be added later;[2] and about thirty years later, in 1895, President Fox advocated a national sick benefit as a necessary part of the Iron-Molders' benefit features.[3] But both of these officials cautioned the National Union against ex-

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(1) Jahres-Bericht 1905.
(2) Iron-Molders' Journal, vol. 1, p.309.
(3) Proceedings of the 20th Convention, 1895.

tending the national benefits too far, lest the protective feature be sacrificed to the benevolent.

President Fox's recommendation was the first effective step in the founding of a national sick fund. The unsatisfactory operation of the "Beneficial Association" in the early history of the Union and later the administration of the death and disability benefit had produced much dissatisfaction. To this was added the almost total failure of sick benefits operated by many local unions and state branches. This state of affairs among local unions and state branches, however, opened the way for a national benefit. Consequently, in 1895, before the twentieth session of the National Convention, President Fox urged the adoption of a general sick benefit. This convention, therefore, at Chicago, July, 1895, changed the National Union into a benevolent organization by the adoption of a national sick or disabled benefit. This law became operative January 1, 1896, and formed the basis of the system now in force.(1)

This original sick benefit law provided for a weekly allowance of $5 for a period of thirteen weeks in any one year to sick members or those disabled by accident from

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(1) Iron-Molders' Journal, vol.31, No. 8, p.3; Proceedings of Twentieth Convention, 1895, p.100.

performing their regular occupation, provided the members were in six months' good standing and not in arrsars for twelve weeks' dues.(1) Further, travelling members might secure full benefits by depositing their cards with the nearest local union. The financier's report for the first six months showed receipts of $22,974.37 and disbursements of $10,098.00 and the average receipts and expenditures showed a net excess of $1878.39 per quarter in favor of the sick fund.(2) During the first year the system was successful notwithstanding the marked increase in sickness. This increase was a natural result of the financial and industrial depression of 1896-7, the experimental period of the benefit, since the collapse forced money out of circulation, lowered the standard of subsistence, and made disease more prevalent. Thus, the benefit became almost an out-of-work benefit.

At present the system is one of the prominent features of the Union. Its success has warranted an increase in the benefit from $5 to $5.25.(3) The amount paid to sick and disabled members during the first year aggregated $38,466.00; in 1901 with 41189 members, double that of 1896, the amount

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(1) Iron-Molders' Constitution, 1895(Cincinnati, 1895), Art. 17.
(2) Iron Molders' Journal, vol. 32, pp.193,324.
(3) " " Constitution, 1902(Cincinnati, n.d.)p.37.

paid was $102,935; in 1904 with 76416 members the amount reached $205,698.25; while the total aggregate, since inauguration of the benefit, from January , 1896 to October 1, 1905, was $1,038,070.50.(1)

The Tobacco-Workers' Union introduced national sick benefits in 1896, one year after organization, and in the same year as the Iron Molders. In 1895, at the time of organizing the Union, the development of the national sick benefit idea had reached such a stage as to guarantee it a permanent place among trade union benefits; consequently the Tobacco Workers, as well as all other unions organized after the experimental stage of the benefit, had advantage of the experience of the Cigar Makers, the Iron Molders, and the Typographia. From its introduction, therefore, this benefit offered evidences of success. During the first fifteen months of operation, $5073.51 were paid to members in sickness, or more than five to one in case of death.(2) Up to July, 1900, the Secretary-Treasurer reported $23,331.48 paid in case of sickness.(3) Since then at least $25000 additional have been paid. The membership of

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(1) Iron Molders' Journal,vol.39,pp.638-639;vol.41,p.854; Proceedings of 22nd.Session,1902,Toronto,1902(In Jour., Sept., 1902).

(2) Tobacco Workers' Proceedings of 3d.Convention,1897. Report of Secretary. (In Jour., vol.1, nos.,5,6).

(3) Idem, Proceedings of 5th. Convention, 1900, Report of

the organization is small, numbering in September, 1898, about 4500, and in September, 1900, 6677.[1]

Similarly, the Boot and Shoe Workers' Union was organized after the older unions had proved successful the sick benefit idea, and as early as the second annual convention, 1896, certain local unions submitted plans for a national sick benefit, and again in the convention of 1897 the committee on "Dues, Assessments and Benefits" reported a plan. But not until the fourth Convention, June, 1899, was a national sick benefit adopted.[2] This system became operative January 1, 1900, andprovided for members in good standing $5 per week for not more than thirteen weeks in any one year.[3]

This benefit, combined with the death benefit, added strength and stability to the Union and as a result of which the General Executive Board soon recommended an increase in the amount paid.[4] However, the system was not perfect. Frauds were committed, the number of claims were increased, and more rigid laws for control of the system became necessary.[4] And yet the membership and receipts of

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Sec'ty. (In Jour., vol. 4, no. 10.
(1) Report of the Industrial Commission, vol. 17, p.32.
(2) Boot and Shoe Workers' Report of proceedings, 2nd.Convention, 1896, pp. 42-46; Idem, 3rd. Convention, 1897 ; Idem, 4th. Convention, 1899.
(3) Boot and Shoe Workers' Const. 1899, sec.65.
(4) Idem, Jour.,vol 2, Apr.,1901, p.6. (5) Idem,

the Union had increased rapidly. On January 1, 1900, there were 2910 members, at the close of this year there were 10618, and on January 1, 1904, the number had grown to 69290; while the receipts for the years 1900 and 1903 were $40800.44 and $295,084.01 respectively.(1) During 1904 the Union paid $90,006.05 in sick and death benefits and the membership increased to 77282.(2)

Besides these unions thus described the Barbers, the Bakers, the Leather Workers on Horse Goods, and the Plumbers each pay $5 per week, the last two for thirteen weeks in any one year, the Barbers for sixteen weeks, and the Bakers for twenty-six weeks; the Piano and Organ Workers, $3 per week for eight weeks; the Patters Makers, $4 per week for thirteen weeks; the Garment Workers, $3 per week to women and $4 per week to men for eight weeks in any one year, or twelve weeks in two years, or fifteen weeks in three years, or eighteen weeks in four years.

In addition to those unions maintaining national sick benefits, several prominent organizations have made efforts to inaugurate them and in their efforts have aided in

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Report of proceedings, 5th.Convention, Detroit,1902.
(1) Idem, Jour.,vol.5, Feb.,1904, pp.19,25-26.
(2) From statement by Pres. Tobin. This membership includes suspendions and withdrawals, for which, Pres.Tobin says, at least 20% should be deducted.

defining the true field of sick or disabled benefits. The following unions have so far been unsuccessful in their attempts to found national sick benefits: the International Typographival Union, the Brotherhood of Carpenters and Joiners, the Brotherhood of Painters, the Amalgamated Wood-Workers, the Association of Machinists. However, each of these provides that the subordinate unions shall pay a sick benefit. The attempts to introduce national benefits have been most prominent in the Typographical Union and the Brotherhood of Carpenters and Joiners. Among the Carpenters' sick benefits have always been a prominent feature in the subordinate unions. This idea originated with the first organization of Carpenters in America - the Society of Brotherhood of Carpenters, founded at Halifax, Nova Scotia, February 18, 1798. This original Society provided that all members of twelve months' standing, if sick and confined to bed should receive two shillings per week; if able to walk about but unable to work, they should receive such a sum as the Society thought wise.(1)

Although the Brotherhood has intrusted the management of this benefit to the local unions, the national officials have striven at different times to make it a national law.

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(1) Society of Brotherhood of Carpenters, Const., 1798, Art. 13, (In MS. copy) The Johns Hopkins University library.

In 1890 General Secretary-Treasurer M'Guire maintained that the Brotherhood would ultimately adopt high dues and uniform sick benefits, together with semi-annual equalization of funds in order that travelling members might have full rights to sick benefits while in search of employment.(1) At the ninth and tenth annual conventions, 1896 and 1898, uniform sick benefits were discussed at some length.(2) No active measures were taken in 1896, but in 1898, since many local unions had become bankrupt through their efforts to pay exorbitant sick benefits, many thought the Brotherhood should maintain a uniform national sick benefit. The Convention, therefore, passed a law, but this was defeated in referendum, since many considered it unfair to maintain the same rates in small towns and cities, where wages were low, as were maintained in the larger cities.

On the other hand, the Typographical Union, prior to 1892, manifested little interest in benevolent features, and espedially in national sick benefits. At each of the national conventions of 1893,1894, and 1898, President Prescott made special appeals for a national system, giving precedence in 1894 to out-of-work benefits.(3) In 1898 he

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(1) Proc. Sixth Gen. Convention, Chicago, 1890(Phil.,1890)
(2) "The Carpenter", vol. 16, Oct. 1896; vol.18, October, 1898, p.8.
(3) Proceedings of 42nd. Convention, 1894, p.3.

succeeded in getting a favorable report from the Committee on Laws, but the Convention defeated it. In urging the adoption of this benefit law Mr. Prescott showed that since 1893 many unions without adequate benefits had disbanded and that those with full systems had best endured the depression of 1893-7. He further argued that national sick benefits would strengthen each local union by guaranteeing each member and his family against becoming objects of charity.(1)

Though the Union maintains no national sick benefits, it has founded a"Union Printers' Home for the afflicted,the aged, and the infirm", which is in a measure a substitute for the disability feature.

The development of national sick benefit systems has met with much opposition. This opposition has been seen most conspicuously in the oldest and the most thoroughly organized unions, and consequently many of those unions that have always been foremost in trade union activities have been compelled to postpone for many years the establishment of this benefit. Table on page above shows that in the older unions a greater period lapsed between the time of completing a national organization and that of in-

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(1) Proceedings of 42nd. Convention, 1894, p. 3.
(2) " 44th. " 1898, p. 99.

augurating the sick benefit feature than in the younger union. For example, the Iron Molders did not succeed in nationalizing the sick benefit feature until January 1, 1896 - thirty-seven years subsequent to their organization; the Cigar Makers were successful in incorporating the benefit on January , 1880 - fifteen years after becoming a national body; the Deutsch-Amerikanischen Typographia in 1884, eleven years after perfecting a protective union; the Plumbers, in 1903, after fourteen years. However, in each of these, for many years prior to nationalizing the sick benefit, the subordinate unions operated most successfully a similar benefit. In fact, some of the unions were dependent upon their subordinate bodies to show by practical workings the place sick benefits could occupy in promoting unionism and in giving solidarity to its forces. This fact was forcibly demonstrated in the histories of the Iron Molders' Union, the Cigar Makers' Union, and the Deutsch-Amerikanischen Typographia - in many respects three of the most prominent American labor organizations. The Cigar Makers were the first to accept the work of the local union as a basis for a national benefit. Having three of the most active and progressive local unions - No. 144 of New York City, No. 39 of New Haven, and No. 87 of Brooklyn - testing

the benefits of weekly allowances to those disabled by sickness from engaging in their regular trade vocations, the National Organization of Cigar Makers had the best opportunity of seeing successfully demonstrated the efficiency of local sick benefit regulations and an almost absolute guarantee of their success from a national standpoint. Hence, through the final efforts of local union No. 144, championed by Mr. Gompers, the National Convention in 1879, at its twelfth annual convention, adopted a national sick benefit, which became operative January 1, 1880.(1)

In the Iron Molders' Union the introduction of national sick benefits was unquestionably hindered and very much delayed by opposition from national officials. Before the seventh convention in New York City, January 3, 1866, President Sylvis took decided stand against a general sick benefit.(2) He maintained that the Union should not venture too far into the benevolent field lest protective principles be sacrificed to benevolent, but rather should confine itself to funeral and disability benefits, to which, if they proved successful and advantageous, sick and other

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(1) Cigar Makers' Jour., vol. 4, June 10,1879, p.1; vol.6, Nov. 10, 1880, p.1 and Jan. 10, 1881, p.3.
(2) Iron Molders' Journal, vol. 1, p.309.

benefits might be added. Until 1895 this feeling of ultra-conservatism prevailed among the leaders of the Union. The first duty of the organization, it was maintained, was to perfect the Union from a protective standpoint.(1) Consequently, every effort made by local unions or by private members at large, was held in check by officials who feared some new idea should detract from the Union's protective efficiency. Because of what came near being total ruin to the Union through inability or inefficiency of a former chief executive, the members were constantly on guard lest any departure from old and tried methods should again bring the organization on the verge of destruction.(2) During the subsequent period of thirty years the individual member had to be educated to the importance and significance of aid for the sick and disabled, and the national officials had to be prepared for its administration. The long period of trial systems of benefits maintained by local unions and those operated by state branches did much to prepare the national union for the adoption of a national sick benefit. One set of by-laws, one benefit system, a more satisfactory interpretation of existing laws, and a national sick bene-

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(1) Iron Molders' Journal, vol. 30, no. 4; Proceedings of Convention, 1895, Rept. of President Fox.
(2) Iron Molders' Journal, vol. 1, p. 275, December, 1866.

fit was the plea presented to the National Convention of 1894. President Fox, therefore, urged the Convention to yield to the demands and to adopt a national sick or disabled benefit. The demands were granted and the national sick benefit was adopted.(1)

In the Deutsch-Amerikanischen Typographia from the date of organization, April, 1873, to the New York Convention, May, 1884, the sick benefit was local in character. During this period sickness was placed on an equal basis with strikes, travelling, and deaths, all of which were maintained by the local unions under the general supervision of the National Union. Under this system the organization made slow but steady progress, through the success of which the way was prepared for the national system.(2)

The maintenance of sick benefits is an important step in promoting unionism, but it can scarcely be called an essential factor. Many unions have demonstrated very forcibly the truth of this statement. To the Cigar Makers, the Iron Molders, the Typographia and others sick benefits are considered a chief factor, if not an absolute necessity, and they are best promoted by the national unions; to

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(1) Iron Molders', 1895, Proceedings - Rept. of President (In Journal, vol. 31, no. 8, p. 3.)
(2) "American Federationist" vol. 2, No. 4, pp. 61-62.

the Painters, the Carpenters, the Typographical Union, the Wood Workers and others they are looked upon with less favor, subordinate in fact to death benefits and simply a convenient means of aiding the unfortunate member. Hence the importance of maintaining this benefit on a parity with death or funeral benefits has not appealed to all alike and in some cases adoption has failed.

Throughout the history of the introduction of this benefit two principal obstacles to its nationalization have had to be overcome by the national organization. In the first place, many unions wished to maintain strictly protective organizations and were unwilling to combine with this the benevolent feature. In the second place, the advocates of national sick benefits had to counteract the evil influences that arose from corruption and mal-administration of sick benefits among local unions. Not until these two difficulties had been removed and their influences counteracted were the national organizations prepared to adopt national sick or accident benefits.

Of the trade organizations that pay death and sick benefits, the Iron Molders, the Cigar Makers, and the Typographical Union maintained for many years that the benevolent idea should be subordinate to the protective. Conse-

quently, in the early activities of these unions only those benefits were introduced that were considered directly influential in advancing the protective measures. On this ground the sick was excluded for many years, and not until some of the more prosperous local unions had demonstrated its efficiency were the national unions convinced of its importance as a factor in strengthening labor organizations. As early as 1866 the administrative officials of the Iron Molders' Union realized the inefficiency of its system of benefits and the need of supplanting them, and yet for thirty years they failed to inaugurate a national sick benefit lest the Union should lose in some degree its protective importance and should become a benevolent body. As late as 1895, President Fox, following the course of his predecessors, warned his organization against any departure from previous activities in the field of benefits, lest it forget the first duty of protecting the Union by regulating and shortening the hours of labor.(1) So not until the unsatisfactory system of benefits, as operated by the Iron Molders for twenty-five years, had manifested itself in a general demand for one comprehensive system, was the president induced to advocate a national sick or disabled benefit.

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(1) Iron Molders' Journal, vol. 1, p.275; Proceedings, 1895, Report of President.

In the Cigar Makers' Union the efficiency of sick bemefits in increasing union strength was successfully illustrated by local union, No. 87, of Brooklyn.(1)

The Typographical Union maintained a purely protective attitude longer than any other union. For forty years the National Union took decided action against a national benefit system and has succeeded in confining administration of sick benefits to local unions. During these years the International Union did much to encourage local unions to provide satisfactory sick benefits. At the nineteenth, the twentieth, the thirty-second, and the thirty-fifth sessions special resolutions, recommending all subordinate unions to maintain benefit systems, were adopted.(2) These resolutions tended to retard nationalization of the benefit and to advance it locally. However, in every labor organization there is a particular desire to have the national union exercise complete jurisdiction over the principal phases of trade union activities. President Prescott, therefore, at the conventions of 1892, 1894, and 1898, strongly urged the adoption of a national sick benefit - not with the view of detracting from the protective efficiency of his organization, but rather as a means of in-

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(1) Cigar Makers' Jour., vol.3, Oct., 1877, p.3.
(2) Proceedings 19th. session, 1871; 20th., 1871; 32nd. 1884; 35th., 1884.

creasing its protection.[1] His efforts failed in each of these cases, but in 1899, at the 45th. session the International Convention finally adopted a national sick benefit clause.[2] This, however, was defeated in referendum.

Failure of the Typographical Union to nationalize sick benefits has marked a serious defect in its system. Perhaps in no other union has the benevolent idea been any more an original feature, and yet the Union has failed to develop this phase of its organization along with the protective. This may be attributed to the fact that the national officials have never been the absolute leaders and the controlling factors in shaping legislation. These officials have so far failed to show conclusively to their subordinates that the strongest and most complete protection is offered by that organization that is able to unite inseparately its members by means of the most complete system of benefits. There can scarcely be any doubt that Mr. Prescott realized this fifteen years ago, but his inability to lead his subordinate members to this conclusion meant failure to his scheme. Failure in this respect is an indication of the Union's imperception of benevolent fea-

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(1) Proceedings, 42nd. session, 1894, p.3; 44th., 1899, p. 99.
(2) Proceedings, 45th. session, 1899, pp. 17, 40,41.

tures as an important factor in furthering indirectly its protective interests, and on the other hand, any reduction in its beneficiary strength produces a decrease in protective influences. In the opinion of American trade union leaders that union that refuses to incorporate the most complete system of benefits has in some measure failed to furnish the greatest protection to its members. In this respect the International Typographical Union is conspicuous among those unions that have failed to educate the union man at large.

The second great difficulty that some American trade unions have had to meet is the abuses to which many local unions have subjected the sick benefits. In the Brotherhood of Carpenters, the Boot and Shoe Workers' Union, the Journeymen Plumbers' Association, and the Brotherhood of Painters mal-administration of sick benefits has been a serious hindrance to their nationalization. The principal causes of complaint against local unions in this respect are (1) admitting men who are disqualified, (2) endorsing illegal claims for sick benefits, and (3) the payment of exorbitant benefits . In the first place the reports of the Secretary-Treasurer of the Brotherhood of Painters show

that many local unions admit men of advanced age, or of impaired health, who soon become financial burdens to the Brotherhood.[1] And President Kelly of the Journeymen Plumbers' Association says that the abuses to which sick benefits have been put in local unions among plumbers is a serious hindrance to maintenance of national benefits. His reports show that many plumbers join the Association for the express purpose of mulcting it. The Boston local union is typical of this abuse. The delegate from this union to the National Convention of 1898 became so disgusted with corrupt practices in his own union that he strongly opposed the nationalization of sick benefits.[2]

Closely allied to illegal admissions is the payment of fraudulent claims - the second serious difficulty in the development of national sick benefits. This practice has been most common during periods of industrial depressions, where the tendency has been to convert the benefit into an out-of-work benefit. In the Boot and Shoe Workers' Union the sick claims have increased considerably during dull times;[3] and so common have these fraudulent practices become during recent years that the National Convention, in

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(1) Painters' Journal, vol. 18, Feb., 1904, p.153.
(2) Plumbers' Ninth Proceedings, 1898, p.51.
(3) Rept. of Proceedings, 5th, Convention, Boot and Shoe Workers (Detroit, June, 16-20, 1902.

special session at Cincinnati, January, 1, 1904, instructed the officers and executive boards of local unions to safeguard the sick funds by close scrutiny of claims and by rigid inspection so as to eliminate the payment of fraudulent claims. In the face of this action the payment of sick claims has increased rapidly. This led to the appointment of special agents to supervise the payment of sick claims in those localities where these abuses were most common. This investigation revealed various forms of indifference and absolute negligence on the part of local boards, in the examination and payment of sick claims. Prominent among these were approving sick claims without the required sick committee investigation, and the payment of benefits after the claimant had returned to work. To correct these abuses and at the same time to rid the organization of a large class of so-called "pensioners" who are permanently unable to follow their occupation, or those who have some chronic disease which enables them to draw the full amount of thirteen weeks' benefit each year, or those who do not work at the craft, but retain their membership for the sole pyrpose of drawing the full benefit, General Secretary-Treasurer Baine, in June, 1906, proposed a definite law for remedying those practices. In the first place, this

law provided that persons with chronic diseases, or those over sixty years of age at time of admission or reinstatement shall be eligible to half benefit only; and secondly, that a disability benefit be created for the benefit of those unable to follow the trade, provided that any member who may draw two years' benefit, upon filing the third claim, be granted a disability benefit of fifty dollars and shall be debarred thereafter from further claims for sick or death benefits. The Convention in June, 1906, adopted with some minor modifications, the law proposed by General Secretary Baine.(1) In some local unions of the Association of Journeymen Plumbers the administration was so corrupt that the applicant frequently paid half the amount received to some unscrupulous physician for a sick certificate on which to draw sick allowances.(2)

The third difficulty in the operation of sick benefits by subordinate unions is their tendency to pay a larger benefit than their union can afford. The natural consequence is the union's bankruptcy and its suspension or expulsion from the national organization. Typical examples

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(1) Boot and Shoe Workers' Constitution, 1906, (Boston, 1906) pp. 30-32; Proceedings of the Seventh Convention of the Boot and Shoe Workers' Union, 1906, pp.44-45. The disability benefit was fixed at $100 instead of $50 as proposed by Secretary Baine.

(2) Plumbers' Journal, vol. 1, May, 1899.

of this practice are furnished by the United Brotherhood of Carpenters. In 1895 it was shown that a number of local unions of carpenters had become bankrupt because of the payment of exorbitant amounts in case of sickness. Some locals paid from $5 to $6 per week for twenty-six weeks for as many years as the sickness might last, while others paid an unlimited amount for a period of fifty-two weeks.(1) Such practices are certain to overthrow any system. It belongs to the national organization to regulate such irregularities. Their only remedy is an adequate system of national sick benefits operated under absolute control of national officials, or a system of local benefits under the strictest supervision of the national union. The greater the centralization of administration the more nearly will local corruption be elimited and the more perfect the national system the greater will be the effect of this centralized power.

Admission of members to the advantages of sick benefits is in general uniform throughout all the unions.There are certain specific requirements to which the member must conform in order to be eligible. The original regulations adopted by the older organizations have largely been accept-

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(1) The Carpenter, vol. 15, September, 1895.

ed by the younger unions and with the exception of slight changes are in force at present. The forms of admission, as originally adopted, were designed to promote both the interests of the individual and the union at large. The success, or failure to accomplish this depends upon the nature of the interpretation put upon ambiguous phrases of the constitutions and the ability of the officials to execute the laws as interpreted.

The right to draw sick or disabled benefits depends, therefore, upon the definition of sickness, the ability of administrative officials to interpret the definition, and the degree of accuracy or inaccuracy of this interpretation. In working out acceptable definitions of sickness there has been one general form of guidance. The majority of the unions have aimed at the one principle, of aiding those "unable to work" or those unable "to attend to their usual vocations". The Iron Molders, the Cigar Makers, the Tobacco Workers, the Barbers, the Garment Workers, and the Piano and Organ Workers define "sickness" to mean inability to follow regular vocations.(1) The Boot and Shoe Workers, the Pattern Makers, and the Leather Workers on Horse Goods have adopted the phrase "unable to work", while the

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(1) Iron Molders' Const.,1902,(Cincinnati,1902)p.37; Cigar Makers'Const.,1896,14th.ed.,(Chicago,n.d.)p.34; Tobacco

Bakers use simply the phrase "in good standing".(1) These phrases are unavoidably ambiguous in meaning and consequently the success of the benefit must necessarily depend upon the administrative officials' conception of what the unions mean by sickness and the ability to apply the laws as interpreted.

To aid in this administration each union prescribes certain restrictions or limitations to the accepted definition. The Iron Molders, the Typographia, the Boot and Shoe Workers, the Tobacco Workers, the Leather Workers on Horse Goods, the Garment Workers, the Bakers, and the Piano and Organ Workers provide that members be in good standing for not less than six months and that the sickness shall not have resulted from "intemperance, debauchery or other immoral conduct", while the Cigar Makers, the Pattern Makers, and the Plumbers require a continuous membership of at least one year and that the sickness be not the result of "improper conduct" or "intemperance, debauchery, or other immoral conduct". Thus, the success, with which the above restrictions are applied to the cases depends largely upon one or

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Workers' Const., 1900,3d.(Ed.1905)(Louisville, n.d.); Barbers' Const., 1902, p.10; Garment Workers' Const., 190 , p.37; Piano and Organ Workers' Const., 1902, (n.p. 1903), p.18.

(1) Boot and Shoe Workers' Const., 1906, p.31; Pattern Makers' Const., 1906, p.48; Leather Workers on Horse Goods Const., 1905,p.21; Bakers' Const.,1903,p.51.

more national officials who have power to receive or reject the representations of local authorities.

Not only must there be definite regulations - unsatisfactory though they may be - as to the physical condition of the applicant, but the success of the benefit laws demands some regulation as to the time within which, after admission to the protective organization, the applicant becomes eligible to the benefits. Consequently, each union has fixed a time, after sickness begins, for the commencement of the benefit. This interval varies in the different unions. The Cigar Makers, the Typographia, and the Plumbers pay benefits for the first week of sickness, but not for a fraction of a week, the benefit to begin from time the sickness is reported to the local union. The Iron Molders and the Boot and Shoe Workers begin payment with the beginning of the second week and in no case allow benefits for the first week or a fractional part of a week. In the Pattern Makers' League, the Brotherhood of Leather Workers on Horse Goods, and the Piano and Organ Workers no benefit is paid until the end of two weeks' sickness, when payment is made to cover the entire period. The Tobacco Workers pay for the second week and if the sickness continues twenty-one days, payment is allowed from the beginning of the

period of sickness. Upon these specifications combined with the nature of their application depends the eligibility of members to the benefit after they have proved their good standing.

The amount of the benefit paid has always entered as an important factor in determining the success or failure of the benefit. The basis upon which this amount has been determined for a given number of weeks during any one year. Originally this rate per week and the number of weeks for which assistance was given varied more or less among the unions, but at present there is a tendency for uniformity in this respect. The following table gives the rate per week, the length of periods for which benefits were paid originally and are allowed at present, and the yearly allowances, originally and at present.

(Table will be found on page)

A comparison of the benefits paid under the original laws with those under the laws in force at present shows more or less variation both in the weekly allowance and in the length of the period during which benefits are paid in any one year. Although in the early years this variation was considerable, there is at present a tendency to uniformity. Prior to 1890, the Cigar Makers alone may be said to have

Name of Organizations	Originally			At present		
	Rate per week	No. of weeks	Yearly Amount	Rate per week	No. of weeks	Yearly Am't
Iron Molders	$5	13	$65	$5.25	13	$68.25
Typographia	5	?	?	5 (1st 50) 3 (2nd 50)	100	(a) 400
Cigar Makers	(3 (1) (1.50 (2)	16	36	5	13	65
Boot & Shoe Workers	5	13	65	5	13	65
Plumbers	5	13	65	5	13	65
Pattern Makers	6.25	13	81.25	4	13	52
Leather Workers on Horse Goods				5	13	65
Granite Cutters	6	(b)	(c)	(	d	)
Tobacco Workers				3	13	39
Piano & Organ Workers				5	8	40
Garment Workers				(3(for women) (4(for men)	8 8	24) 32)
Barbers	(5(1st.8) (3(2nd.8)	16	64	5	20	100
Bakers	5	26	130	5	26	130

(1) 1st 8 weeks.
(2) 2nd 8 weeks.

(a) After member draws $400 he gets no more for two years.
(b) During sickness.
(c) Depends upon number of weeks' sickness.
(d) Exempt from half dues during sickness.

been actively engaged in working out a benefit rate. The Deutsch-Amerikanischen Typographia was active in caring for its sick members during this period, but the rate question did not seem to perplex the organization to any extent. Since organization in 1873, it has contributed to the support of its members in larger proportions to its membership than any other organization.(1) The interest of the individual seemed more clearly the interest of the organization as a whole than in any other union during its early period of development. The members were bound more closely both from the local union's standpoint and from a national point of view. Hence the evolution of the benefit rate among the Cigar Makers, because of the heterogeneous classes composing the trade, furnishes a more typical example of American trade union conditions and from them may be viewed the difficulties in attaining the average benefit rate now maintained by these organizations. The first law providing for national sick benefits allowed a member, sick and unable to attend his usual occupation, $36, or sixteen weeks, during any one year at the rate of $3 per week for the first eight weeks and $1.50 for the second eight weeks.(2) After one year these were changed to $4 and $2 respectively; in 1884

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(1) See page below.
(2) Cigar Makers' Constitution, 1880, Art.12.

to $5 and $3; in 1891 the one-rate benefit of $5 per week was adopted and the maximum period for which aid could be obtained was fixed at thirteen weeks.(1)

During this period of non-uniformity of the benefit rate the development in the Typographia, the Granite Cutters, and the Barbers is also worth some consideration. Prior to July 1st., 1888, the Typographia paid $5 per week. The constitution adopted at that time provided for an increase to $6.(2) But in July, 1894, because of introduction of type-setting machines and business depression generally, the rate was reduced to the original $5 weekly allowance.(3) A very singular instance is found in the case of the Granite Cutters. Under the first constitution, adopted in 1877,(4) this union provided for a voluntary sick benefit at the rate of $6 per week during the period of sickness. This was a larger benefit than the Union could afford to pay and hence, radical changes were made in 1888 and 1897. According to the constitution of the former year, the member was exempt during his sickness, from payment of all dues except

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(1) Idem, (New York, 1881) Art. 9; 1884, (New York, 1884) Art. 9; 1891, (Buffalo, 1892), p.28.
(2) Miller, 25 jahrige Geschichte der Deutsch-Amerikanischen Typographia, p.35.
(3) "American Federationist", vol.2, no.4, p.62.
(4) Granite Cutters' Const., 1877, (Rockland, 1877), p.31.

funeral assessments; under the constitution of 1897, he was exempt from half dues only.(1) The inauguration of sick benefits in the Granite Cutters' Union is a case of over-taxing the members of a young union for the maintenance of a benefit that had not been permanently established among American trade unions. The method pursued was entirely the opposite of that inaugurated by the Cigar Makers three years later. The rate among the Granite Cutters decreased from $6 per week in 1877 to exemption from thirty cents monthly dues in 1888 and thirty-five cents in 1897; while among the Cigar Makers the rate has increased from an average of $2.25 per week in 1880, to $3 in 1881, to $4 in 1884, and to $5 in 1891.(2) In case of the Journeymen Barbers' Union, we have a reproduction of the original idea of the Cigar Makers - a greater rate for the first half term of yearly allowance and a less rate for the second half, that is, $5 for the first eight weeks and $3 for the second eight weeks of sickness. With few exceptions, therefore, American unions show a tendency toward an increased and a uniform rate of $5 per

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(1) Granite Cutters' Const.,1881,Art.38 ( ); Idem 1897, sec. 127, (Baltimore, n.d.).

(2) Idem, Const., 1877, p.31(Rockland, 1877) and 1897,p.32 (Baltimore, n.d.) Cigar Makers' Constitution,1880(N.Y., 1880), Art. 12,; 1881, (N.Y. 1881) Art. 9; 1884,(N.Y.,1884) Art. 9; 1891 (Buffalo, 1892), p.28.

week. Chief of these exceptions are the Pattern Makers and the Granite Cutters. In the former the rate has decreased from $6.25 per week in 1898 to $4 in 1900, in the latter from $6 per week during sickness to exemption from half dues during the same period.

The course of development in the Cigar Makers' Union and in the Granite Cutters may be explained by the fact that they instituted systems of sick benefits fifteen years earlier than any other union, with exception of the Deutsch-Amerikanischen Typographia, and that they were compelled to work out a rate of weekly allowance independently of the experience of other unions. The rate adopted by the Cigar Makers, however, was in all probability influenced by those paid by English unions. In both it was largely an experiment. Among the Cigar Makers opinions of what should constitute a fair benefit rate were undoubtedly modified more or less by experiences of the seventies in the payment of travelling benefits; in the Granite Cutters the rate was fixed largely through fraternal sentiment. The principal distinction between the early benefits of the two unions lay in the character and purpose of the benefit offered. The former maintained a compulsory feature and placed the rate at an amount that had been shown practicable by its

local unions, while the Granite Cutters made the benefit voluntary and put the rate higher, where only a small per cent. of the members would join than where the whole membership were compelled to share in the benefit. In the Typographia circumstances were different. The organization was composed of a more intelligent body of men, its constitution was drafted by Mr. Strasser, the President of the Cigar Makers' Union and their most experienced member, and on the whole a more thoroughly organized body. Its members had become thoroughly versed in sick benefits as a local feature. It readily, therefore, accepted the experience of the Cigar Makers in their passage from a nominal to the standardized $5 rate and under its first national law adopted at once a sufficient and reasonable allowance.

Reference to table on page 239 above shows the yearly amounts paid by these organizations under their first benefit laws as compared with those paid at present. There is so little similarity in the yearly amount granted that it is possible to group only the Iron Molders, the Cigar Makers, the Boot and Shoe Workers, the Plumbers, and the Leather Workers on Horse Goods. The Iron Molders allow $68.25 during any one year, while the others pay $65 each. However each union, with exception of the Pattern Makers and

the Granite Cutters, shows an increase over the original amount paid. The largest amounts allowed during any one year are paid by the Typographia, the Bakers, and the Barbers. The Bakers and the Barbers allow as high as $130 and $100 respectively, while the Typographia may pay out as much as $256 per year to any one member. The constitution of the latter provides for $5 per week for the first fifty weeks, continuous or non-continuous, and $3 for the next fifty weeks. In other words after a member draws $250 at the rate of $5 per week, allowance is reduced to $3 until he draws $150, or a total of $400, after which he receives no further aid for two years. It is evident that a German printer may draw as little as member of any other union that allows $5 per week, or he may draw more according as his sickness may equal to or extend over the period for which the other unions grant the benefit. If a German printer is sick continuously for 100 weeks, he will receive a greater amount in less than two years than the Bakers can receive in three years, the Barbers in four years, the Iron Molders in five and three-quarters years, or the majority of the unions pay in six years. However, should the period, necessary for drawing $400 be extended sufficiently long, the benefit per year may become less than the maximum

amount paid by any one of the other unions. Therefore when we consider the fact that after a member has drawn $400 in the Typographia two years must elapse before further benefits may be granted we must conclude that the system is not under all circumstances the most advantageous to the members.

Different from the restrictions upon the amount paid by any of the other unions are those applied by the Garment Workers. The constitution of 1906 provides that a member shall receive not more than eight weeks' benefit in any one year, twelve weeks in any two years, fifteen weeks in any three years, or eighteen weeks in any four years.(1) Under this law the yearly average sick benefit for women during any four years is $13.50, for men $18.

A study of these data shows indisputably, and especially among the older organizations, a general tendency from a variable amount per year to a uniform amount. That is, many of the unions have accepted the standard weekly allowance and the number of weeks for which aid is given that have been worked out by the long experience of the older unions. As a result of this development at least three significant results appear. In the first place, the unions have accepted one common end as the primary object of sick

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(1) Constitution,1906. (New York,n.d.), p.41.

benefits. Originally, fraternalism was the predominant idea, but in the development the business or scientific principle of the benefit has become an important factor. The benefit from the national union's point of view is granted not so much to relieve the immediate needs and distress of its members, but rather that by aiding the individual member the union as a whole might be strengthened. In the second place, with the growth of the unions in adopting uniform amounts they have made a significant advance in nationalizing the benefit as an inter-union benefit. In so doing they have placed their organizations upon a basis similar to those maintained by fraternal insurance societies or old-line insurance companies. Lastly, the unions have attained to higher and more perfect forms of organization. In this their centralization of government has been strengthened and they in turn have become greater factors in collective agreement.

The accumulation of revenue for the payment of sick benefit claims constitutes a principal feature in the fiscal systems of the unions. With the establishment of every benefit some system of creating funds for its payment must be devised. In American trade unions two general methods of raising funds for benevolent purposes have been used: the system

of levying assessments, whenever claims are presented, sufficient to pay all outstanding demands and that of collecting a fixed sum, in weekly or monthly dues, which is proportioned to the several funds according to specific regulations. American unions have never employed the former in payment of national sick claims, but have confined themselves exclusively to the latter.

After providing the means of collecting sufficient revenue, the unions have for the most part separated the funds thus collected into two or more divisions, each division named according to the purpose for which it is to be used. In the systems of revenue devised it has never been customary to maintain a separate sick fund; but on the other hand where any division is made funds for sick purposes have been included with those for some other benefit - in a general sinking fund, a sick and death fund, or a sick and out-of-work benefit fund. However, in those unions where only sick benefits are paid, we find the exception to this unwritten law. The sick benefit system of the United Garment Workers furnishes a case of this kind, in which a sick benefit fund is maintained from which only sick benefits are paid.

In consequence of this division and apportionment of national dues and receipts four systems have developed for

the payment of benefits. Upon one of these each union depends for the necessary funds for sick purposes. These are: that of general sinking fund; that of receiving a fixed weekly or monthly tax or due from each member of the subordinate union and the division of this tax proportionally among the several funds; thirdly, that of receiving a certain per cent. or a fixed part of the gross receipts of the local unions, which is held by the national treasurer as one general fund; and lastly, that of contributing an absolute amount to a specific benefit fund, or a sick and death benefit fund. Types of the first of these are the Cigar Makers' International Union, the Deutsch-Amerikanischen Typographia, the United Association of Journeymen Plumbers, and the Piano and Organ Workers' International Union. Under this system the union establishes a sinking fund which consists of the funds of the local unions maintained at a sum proportional to the membership. The Cigar Makers maintain this sum at $10 per capita; the Journeymen Plumbers at $2 per capita; and the Piano and Organ Workers at $3 per capita.[1] The Typographia sets aside $17.40 per member per

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(1) Cigar Makers' Const., 1896, 14th, ed., (Chicago, n.d.) p.48; Plumbers' Const., 1904 (Chicago, 1904), p 56; Piano and Organ Workers' Const., 1902 (n.p.1903), p.26.

year or 74.31 per cent. of all dues as a general fund from which all benefits claims are paid. From this general sinking fund all sick benefit claims are paid after approval by the national officials. Types of the second system are the Iron Molders' Union, the Boot and Shoe Workers' Union, the Tobacco Workers' Union, the Pattern Makers' League, and the Barbers' International Union. In the Iron Molders' Union sick and out-of-work benefit funds are combined with the death into a "sick and death benefit fund." Only in the Iron Molders' Union is the division sufficiently complete to determine the exact proportion of weekly or monthly dues allowed for sick purposes. The Tobacco Workers set aside one-third of the general fund as a sick and death fund; the Boot and Shoe Workers 30%.of the general fund; the Pattern Makers 15 cents of the per capita tax; the Barbers 15 cents of the per capita tax; while the Iron Molders retain eight cents per week per member in the local unions as a benefit for the payment of sick and out-of-work benefits.(2) The principal type of the third class is the

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(1) Iron Molders' Const., 1902 (Cincinnati, 1902), pp. 20,45.

Boot and Shoe Workers' Const., 1906, p.29 (Boston, 1906).

Tobacco Workers' Const.,1905,3d.ed.,(Louisville,1905) p.18.

Pattern Makers' Const.,1906(New York,n.d.) p.15.

Barbers' Const., 1905, (Indianapolis, n.d.) p.10.

Brotherhood of Leather Workers on Horse Goods. This organization collects from each local branch a certain per cent. of its gross receipts, varying from 50% for branches having 15 members or less to 80% for those of 56 members and over, and from these funds the General Secretary-Treasurer pays all claims.(1) To the fourth and last system belong the United Garment Workers and the Bakery and Confectionary Workers. The former of these alone, of the unions that pay sick benefits, contributes directly to a sick benefit fund. The constitution provides that not less than 15 cents per member per month shall be set apart as a sick benefit fund to be used only in payment of sick benefits.(2) The Bakers' Union, on the other hand, pays sick benefits from the sick and death benefit fund, which is supported by a quarterly per capita tax of $1.(3)

Of the unions paying sick benefits, the Iron Molders alone furnish a complete system of apportionment of funds, so that it is possible to determine the exact amount placed to each benefit. According to this apportionment eight cents per week per member is held by the local unions as a benefit fund. Of this seven cents or 87,1/2 per cent. is reserved for sick claims and one cent or 12,1/2 per cent.

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(1) Const., 1905, (Kansas City, n.d.) p.12
(2) " 1902,(New York,n.d.), p.37.
(3) " 1903,(Cleveland, n.d.), p.52.

for out-of-work relief. To the Cigar Makers such an apportionment of funds, says Mr. Adolph Strasser, is a useless enlargement of detailed work that can easily be avoided under the "general sinking fund" scheme, and yet the Iron Molders have demonstrated by practical operation the possibility and the feasibility of dividing the general fund into as many separate funds as there are benefits.

The cost of the sick benefit is another important phase in the study and analysis of the subject. The individual member gives no one thing more concern and yet, as already shown above in discussion of apportionment of dues to the sick fund, it is impossible to know, in any of the unions except the Iron Molders', the exact amount contributed each week, month, or year by each member to its support. Hence, it is impossible to determine, except in this one case, what it costs to share in the sick benefit funds. However, with the yearly membership (1) and the amount paid each year in sick claims, it is possible to find the amount per capita paid yearly in sick benefits, or what it costs the union per year per member to maintain the benefit. For

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(1) We use the membership at the close of each year and not the average membership, hence, the cost will probably be less than the real cost.

sake of comparison the following table contains the per capita cost per year both of death and sick benefits as seen in some of the principal unions.

Year	Cigar Makers,		Typographia		Iron Molders		Leather Workers on Horse-Goods.	
	Death	Sick	Death	Sick	Death	Sick	Death	Sick
1885	.35	2.45	2.10	4.37				
1886	.17	1.71	1.05	2.89				
1887	.43	3.10	1.94	2.82				
1888	1.23	3.40	2.58	3.10				
1889	1.06	3.29	1.85	4.27				
1890	1.02	3.35	1.94	4.34				
1891	1.51	3.40	2.23	4.67				
1892	1.60	3.22	1.62	4.91				
1893	1.74	3.68	2.20	4.33				
1894	2.12	3.64	4.36	5.81				
1895	2.27	3.83	3.51	4.66	.44	(a)		
1896	2.69	3.74	2.36	4.86	.44(a)	1.79		
1897	2.44	3.99	4.23	4.32	.44 "	1.59		
1898	3.30	3.90	2.63	3.62	.44 "	1.50		
1899	3.13	3.45	1.27	4.20	.36(b)	1.98	.31	.90
1900	2.64	3.21	3.13	4.45	.42	2.49	.10	.88
1901	3.67	3.65	4.09	4.22	.54	2.46	.25	1.22
1902	3.11	3.47	3.58	4.99	.57	2.47	.39	1.81
1903	3.14	3.42	3.25	3.77	.60	2.78	.33	1.90
1904	3.24	3.59	2.27	2.90	.64	2.59	.54	2.18
1905	3.56	3.74	4.09	4.95	.72		.37	2.13
1906			2.71	3.02				
Yearly average	2.11	3.21	2.68	4.17	.51	2.18	.32	1.57
Excess pr. centage of sick benfits over death		52		55		327		390

(a) Average for the year. (b) Approximate cost.

From this table it is possible to compare year by year the amount expended by the Cigar Makers' Union, the Typographia, the Iron Molders' Union, and the Brotherhood of Leather Workers on Horse Goods in maintenance of the sick benefit feature with that of the death benefit. The comparison shows that, with the exception of one instance, the cost of the sick benefit has exceeded that of the death benefit; secondly, that the excess in cost of sick benefit is greatest in those unions in which no out-of-work benefit is paid; and thirdly, that, while the yearly cost of both sick and death benefits tends to increase as the organizations become older, the differentiation between the cost of the sick benefits and that of the death benefits tends to decrease. In the Cigar Makers' Union only, during the year 1901, was the cost per capita of the sick benefit less than the cost of the death benefit. In 1901 the Cigar Makers paid out $3.96 per capita in sick benefits and $4.07 per capita in death benefits. During the same year and also during 1897 the cost of the two benefits in the Deutsch-Amerikanischen Typographia was very nearly the same - there being a difference of 2.1% and 3.1% respectively. The average yearly per capita cost in the Cigar Makers' Union for the past twenty years was $3.65 for sick benefits and $2.19 for death; in the Typographia for the same period, $4.17

for sick and $2.68 for death; in the Iron Molders' Union for the past nine years, it was $2.18 and 56 cents respectively; in the Leather Workers' Union for the past seven years it was $1.57 for sick and 32 cents for death. In other words, the average yearly cost of the sick benefits in excess of that of the death benefits was 52% in the Cigar Makers' Union, 55% in the Typographia, 327% in the Iron Molders' Union, and 390% in the Brotherhood of Leather Workers on Horse Goods.

In the second place this excess in per capita cost of sick benefits is greatest in those unions that do not pay an out-of-work benefit. This fact is most prominently seen in the Iron Molders and the Leather Workers on Horse Goods as compared with the Cigar Makers and the Typographia. The percentage of this excess in the average yearly cost is 327 in the former organization and 390 in the latter; while in the Cigar Makers and the Typographia it is 52% and 55% respectively. Furthermore, compare the average yearly cost of these benefits in the Cigar Makers' Union both prior and subsequent to the introduction of out-of-work benefits. For the five years, 1885-1889, inclusive, when the Union paid no out-of-work benefit, the average per capita cost of the sick benefit was $2.59, that of death benefits was 56 cents while for the next fifteen years with a system of out-of-

work benefits in operation the sick benefits cost $3.74 per member and the death benefits $2.70. In other words, the percentage of excess in cost of sick benefits prior to adoption of out-of-work benefits was 298%, while after the adoption it was 38%. The cause of this differentiation must be traced to the out-of-work benefit. Previous to its adoption sick claims were heavier. The man out of employment could readily feign sickness and be placed on the sick list, when he properly belonged to the unemployed. The early application of the sick benefits in the Iron Molders also showed a tendency to extend sick benefits to unemployed members and gave rise to a demand for national out-of-work benefits.(1) If the members were perfectly honest in presenting claims for sick benefits and the officials strictly impartial in their decisions, it would be impossible to prevent more or less increase in sick claims when there is an increase in unemployment. In hard times the percentage of sickness is greater than in periods of prosperity. Money is withdrawn from circulation, the laborer and his family must necessarily economize, and consequently greater susceptibility to disease results. The sick benefits thus become a quasi out-of-work benefit.

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(1) Iron Molders' Jour.,vol.33,pp.173,272,321.

Lastly, the differentiation in cost of sick and death benefits tends to diminish with the growth of the organizations. This condition is especially true in the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia, but with much less degree in the Iron Molders and the Leather Workers on Horse Goods. In fact, in the Brotherhood of Leather Workers the laws broke down during 1903-1904. The following table contains the per cent of differentiation in cost of sick and death benefits - the excess in cost of sick benefits over death except where otherwise specified.

Year	Cigar	Typographia	Iron Molders.	Leather Workers on Horse Goods.
1885	600	106		
1886	1013	175		
1887	637	45		
1888	184	20		
1889	200	130		
1890	148	123		
1891	133	109		
1892	100	203		
1893	107	97		
1894	71	33		
1895	70	33		
1896	31	108	306	
1897	58	2	261	
1898	18	37	240	
1899	8	230	450	190
1900	19	42	492	780
1901	2 (a)	3	355	388
1902	7	39	333	364
1903	14	16	360	475
1904	7	30	304	475
1905		21		
1906		11		

(a) 2% excess in favor of death benefits

This table shows that in the Cigar Makers' Union, during 1897,1900, and 1903, there was a gradual decrease in this differential . Each of these years, however, marks a sharp increase over the preceding year. While in the Typographia the decrease is with more irregularity. For a period of years the decrease is gradual, with frequent abrupt declinations from one year to another, and then immediately followed by sharp increases: for example, from 175% in 1886 to 20% in 1888, to 130% in 1889, and from 2% in 1897 to 230% in 1899. On the contrary there are frequent abrupt decreases after a previous increase. As in the Cigar Makers from 19% excess in cost of sick benefits in 1900 to 2% excess in cost of death in 1901, and in the Typograhia from 108% in 1896 to 2% in 1897, and from 230%in 1899 to 3% in 1901. In the Iron Molders' Union there was a gradual decrease from 306% in 1896 to 24% in 1898, then a sharp increase to 450% in 1899 and afterwards a gradual decrease to 24%during 1904. In the Brotherhood of Leather Workers on Horse Goods during the six years for which data are given, there were successive rises and falls in the differentiation. In 1899 the excess in sick claims was 190%. This ran up to 780% in 1900, then fell to 364% in 1902, and again rose to 475% during 1903-1904.

These changes in this differential between the

cost of sick benefits and of death can be attributed to no one cause. But many influences enter in its determination, the principal of which are the industrial changes so common in America, epidemics of various sorts throughout the country, and variations in administration of the benefit laws arising from changes in the officials of the unions. Each of these enter in some degree in determining the average excess, but instances occur in which only one factor is present.

Again some comparison of the cost of sick benefits among trade organizations with what in fraternal or friendly societies is of interest. Yet, since in these organizations such benefits are operated almost entirely by the subordinate bodies, it is impossible to secure data sufficient for adequate comparison. However, reference to leading American and English friendly societies gives some conception of sick benefits as paid by such organizations.

(Table - on next page)

Cost for Sick allowances experienced by the Ancient Order of Foresters (English) during 1871-1875.(1)

Age	10s. per week until age 70 and afterwards a pension of 5s. per week.		10s. per week during life.		Difference of the allowance.	
	s.	d.	s.	d.	s.	d.
20	21,	10 1/2	18,	11 1/2	2,	11
25	25,	7	21,	9 1/4	3,	9 3/4
30	30,	6	25,	5 1/4	5	3/4

Arcanum Mutual Benefit Association of Baltimore City.(2)

$5. per week for 10 weeks in any one year.	$10. per week for 10 weeks in any one year.
$65. per quarter, or .05 per week--$2.60 per year.	$1.30 per quarter, or .10 per week--$5.20 per year.

(1) "Rates of Mortality and Sickness for 1871-1875 of the Ancient Order of Foresters Friendly Society." By Francis G. P. Neison, Actuary, London (1882).

(2) (1900) Constitution and By-Laws of the Arcanum Mutual Benefit Association of Baltimore City, 1900, pp. 10-11 (Baltimore, n.d.)

In the Ancient Order of Foresters (English), according to the experience of the Order during 1871-1875, a member thirty years of age was entitled to ten shillings per week until seventy years of age and a pension of five shillings per week thereafter onmpayment of an annual premium of 30s. 6d.; or ten shillings per week during life on payment of 25s. 5/4d. Premiums for other ages at proportionate rates. While in the Arcanum Mutual Benefit Association of Baltimore any member, without regard to age, can secure either $5 or $10 per week for ten weeks in any year at the rate of five and ten cents per week, respectively. In other words, covering a period of six years, a member of the Arcanum can draw only $150 for which he has paid $15.60, or $9.61 benefit to $1 paid in; while in the Order of Foresters during a similar period a member may draw $780 at a cost of $38.10, or $20.47 to $1 paid in. On the other hand, in the Iron Molders' Union a man may draw during a period of six years $409.50 in sick benefits at a cost of $21.84, or for every dollar he pays in support of the benefit he receives $18.75 in return. Without any regard to kindred benefits received, for an equal period the Iron Molder receives almost double the amount received by a member of the Arcanum, and a fraction less than that received

by a member of the Ancient Order of Foresters. But, considered in conjunction with other benefits received the Iron Molders' Union offers the greater benefits.

The amount paid in sick benefits by the different organizations is worthy of some analysis. The following table contains the yearly amounts paid by the leading unions.

(See following page)

Year	Iron Molders	Typographia	Cigar Makers	Leather Workers on Horse Goods	Tobacco Workers
1881			$ 3987.73		
1882			17145.29		
1883			22250.56		
1884			31551.50		
1885		2444.85	29379.89		
1886		2751.35	42225.59		
1887		3034.60	63900.88		
1888		3495.90	58824.19		
1889		4831.50	59518.94		
1890		5361.36	64660.47		
1891		6175.88	87472.97		
1892		6790.60	89906.30		
1893		6051.65	104391.83		
1894		(a) 7004.07	106758.37		
1895	976.00	5098.98	112567.06		
1896	37535.00	5426.65	109208.62		(b)
1897	36720.00	4681.25	112774.63		5073.51
1898	37710.00	3983.85	111283.60		8578.15 (c)
1899	57465.00	4506.35	107785.07	855.00	
1900	102935.00	4651.65	117455.84	2105.00	9679.82 (d)
1901	118515.00	4316.81	134614.11	4870.00	4736.75
1902	134116.00	4977.98	137403.45	8595.00	4930.00
1903	179355.00	3767.93	147054.56	11680.00	4925.00
1904	198214.25	2945.68	163226.18	16940.00	6472.25
1905	174946.28	4835.45	165917.00	14345.00	8118.00
1906	176799.00	2945.68			
Totals	1254286.50	100080.02	2201265.63	59390.00	51513.48

(a) October, November, and December 1894. Data taken from records in the National Union's offices, Cincinnati, August, 1905.
(b) From July 1, 1896 to April 1, 1897.
(c) From April 1, 1897 to September 1, 1898.
(d) From September 1, 1898 to July 1, 1900. Amount from July 1, 1900 to January 1, 1901 Missing.

The amounts given above are taken from the reports of the general secretaries and cover completely, with exception of one year of the Tobacco Workers, the period from adoption of the benefit to the latest reports. In each union, except in case of the Deutsch-Amerikanischen Typographia, there has been a gradual increase in the amounts paid. In some years, however, there are slight variations because of the fluctuations in membership from years to year. Up to the close of the fiscal year, June 30th, 1893, the membership of the Typographia increased and the amounts paid to sick members grew proportionately to the close of 1894.(1) But since 1893 the Union has shown a falling off in members and a corresponding decrease in the yearly benefits paid.(2) During the fiscal year 1888-7 with 1075 members the Union paid $3034.60 or $2.82 per capita; during 1892-3, with a maximum membership of 1380, it paid $6051.65 or $4.33 per capita and during 1893-4, with a membership of 1204, it paid $7004.07 or $5.81 per member; while on the other hand, with a decrease to 994 members during 1903-4, there was a corresponding decrease, in amount paid, to $2945.68, or $2.96 per member. The statistics of the Cigar Makers show a slight variation from the general tendency, in the total

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(1) See table, page , above.
(2) The table shows one exception to this general declination. During year ending June 30th, 1899, the expenditures

amounts paid each year, to increase with the growth of the Union. But from page above with the amounts reduced to a per capita basis this variation is reduced to a minimum. The marked increase of the cost in 1887, 1893 and 1897 may be attributed to the strikes, labor riots, and other industrial disturbances of these periods; while in the Typographia, in addition to unsettled labor conditions, the Union had to face a continual decrease in membership. In the Iron Molders' Union, the Brotherhood of Leather Workers on Horse Goods, and the Tobacco Workers' Union, there has been both an absolute and a relative increase in the yearly amounts paid.

The total amounts paid since inauguration of the benefit are: $2,035,348.63, or a yearly average of $3.65 per member in the Cigar Makers' Union; $97,134.34, or an average of $4.44 in the Deutsch-Amerikanischen Typographia; $999,803.25, or an average of $2.18 in Iron Molders' Union; $59,390.40 or an average yearly per capita of $1.57 in the Brotherhood of Leather Workers on Horse Goods. It is impossible to get complete statistics covering these amounts in

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exhibit an increase of $500 over that of the preceding year This was due largely to the change in the sick benefit law. Prior to this year the constitution provided that after a member had drawn $400, even though some of it had been granted ten years previously, no further aid should be given until a full interval of two years. But under the new law no account was taken of an amount previously drawn provided two full years had elapsed.(See Rept.Industrial Com.v.17,1901

in the other unions, but the reports of General Secretary Morrison, of the American Federation of Labor show that the Boot and Shoe Workers' Union paid during the year ending September 30, 1903, $53404.22, and during year ending September 30, 1904, $88391.41; the Plumbers for the same years paid $14710 and $25000, respectively; the Bakers paid $2425 33 and $4040.96; while the Barbers paid $42860 and the Piano & Organ Workers, $15380 for the year ending September 30, 1904.(1) During 1904 American trade unions paid from their national and local treasuries combined a total of $756,762.83.

It is impossible to separate the good that the unions derive from sick benefits from that coming from other sources, and yet each benefit performs a separate function in the development of the organization. In general, however, three principal results are secured through sick benefits: an increase in membership, retention of members in good standing, and an increased power of trade-union influence. The financier of the Iron Molders' Union maintained that the rapid increase in membership from 20960 on January 1, 1896 to 41189 on January 1, 1900 was due largely to the sick and out-of-work benefits.(2) The Secretary-Treas-

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(1) Twenty-third Ann. Proc. of A.L.of F., p. (Washington, 1903) ; Twenty-fourth Ann. Proc. of A.L. of F., p.46 (Washington, 1904). (2) Iron Molders' Journ. vol.33, p.

urer of the Journeymen Barbers pronounces the sick and death feature "the one thing that kept a large number of members from getting in arrears". Similarly, the editor of the Barbers' Journal maintains that it is an incontestable fact that those unions with the best system of benefits have suffered least from losses in membership. He further holds that "no one factor is so largely contributory to the progress and advancement of the labor movement, the protection and promotion of the interests of the workers and the inculcation of the principles of fraternal unity as these features in the trade-union movement."(1) Also, the General Executive Board of the Boot and Shoe Workers' Union recognized the real function of sick benefits in its report, commending the whole system of benefits because of its strength and stability, by urging that sick benefits be increased if it were possible to increase any phase of the system.(2) Only a small per cent. of American unions pay a national sick benefit, but there are besides many local unions that expend annually large sums in behalf of their sick members. Of the sixty-six national unions out of one

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73. Sick benefits became operative Jan. 1, 1896 and the out-of-work, Sept. 1, 1897.
(1) Barbers' Journ. vol.10, p.10; vol.11, p.243.
(2) B. & S. Workers' Jour., vol.2, April, 1901, p.6.

hundred-eighteen affiliated with the A.F. of L. that reported benefits paid during year ending September 30, 1904, fifty-three reported payment of death benefits and twenty-six, sick benefits, and yet the amount paid for death benefits was only about $25,000 greater than that paid for sick purposes.(1) A considerable amount of this sum for sick purposes was paid by the unions through their subordinate bodies and not from the national treasuries. For example, during year ending September 30, 1904, the Brotherhood of Carpenters paid out in this way $75,000, the Hotel and Restaurant Employes, $24.650, and the Machinists $60000. Thus, while compatatively few unions have incorporated national sick benefits, large amounts are paid each year by the local unions as the best and in many cases the only means of furnishing aid to their members.

The systems of sick benefits as maintained by American trade unions are not without defects. Of these two have assumed prominence in the history of the benefit. In the first place, the benefit had its origin in the local union and secondly, the laws under which the system have operated

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(1) Proceedings of 24th Convention of A.F. of L., p.46, (Washington, 1904). Death benefits paid $782,382.08. Sick $756,762.83.

have from the beginning been very inadequate. Naturally, the idea of caring for the sick originated in the local body, among personal friends and sympathizers. Originally it was in the form of donations from intimate co-laborers, or gifts from the union as a united, sympathetic body, later followed the idea of collecting funds in advance to be held for cases of emergency. These funds demanded methods of safe-guarding and investment. Naturally this responsibility devolved upon the officers of the unions. Their first attempts at administration were original, yet necessarily very imperfect, and in many cases founded upon purely experimental bases rather than upon sound, scientific principles. The idea of aiding in time of sickness, founded upon the sentimental concept of doing good to an individual rather than upon the principle of rendering an economic good to society, originated naturally in local institutions and thus laid the basis of a principal defect. Localization of this pecuniary relief soon became rooted and grounded into the very principles of the local union so that it has been well-nigh impossible for the systems to be grought generally under centralized control such as is found in the Cigar Makers, the Iron Molders and the Typographia. How-

ever, from the nature of trade unions it is hardly possible for the origin to have been otherwise. The primary purpose of trade unions has been protection. Their inherent object of organization is to guard the trade and the skill of the laboring man against the attacks of opposing forces. Incidentally, therefore, caring for the sick devolved upon the nearest fellow-laborer and afterwards upon his particular union. Later the national body began to consider this phase of support and to-day - though originally this fea- was out of the sphere of the national unions - has developed systems of unusual activity and importance.

The establishment of this principle in the early history of trade unions has been an important factor in fixing their permanency. Its importance as a national feature has been considered by many unions secondary to the protective. The fact that local unions pay the benefit is sufficient reason for some why the national body should not adopt it. By many it was considered a function of the subordinate union and not of the national body. This idea prevailed among the Iron Molders, the Brotherhood of Carpenters, and the Typographical Union. The former succeeded in nationalizing the benefit in 1896, the other two unions still confine sick benefits to subordinate unions. The Carpenters

have maintained that it is no part of the scheme of the National Brotherhood, but have urged the local unions to pay it. As late as 1898 the Typographical Union rejected a recommendation proposed by the president and approved by the committee on laws, and mantained that local unions could best pay the benefit and protect its funds.(1) At this same session the National Convention further urged that it would be unfair to tax the local unions that were paying local sick benefits for the support of a national benefit in addition. In many cases, therefore, the fact that subordinate unions were paying the benefit was sufficient to defeat any attempt at a national law. Consequently the idea has become so thoroughly imbedded that the inauguration of national systems has been materially hindered.

A second defect in national sick benefits is inadequate laws for their operation. A principal defect here lies in a lack of centralization of power of control. In many unions the national organization has not become sufficiently strong to assume plenary power in paying the benefit. Centralization of government is by no means complete. The national union derives its power from the local union. The latter has not become converted to the idea of

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(1) Proceedings of Forty-fourth Session, 1898, p.99. (Supplement to the Typographical Journal, Nov.15, 1898. Indianapolis).

unlimited authority in government. Decentralization has among many unions been the controlling factor, and hence in many cases local officials have reserved to themselves too much authority in payment of sick claims. Recent reports of the Boot and Shoe Workers' benefit show that some local unions have repeatedly endorsed and presented unjust claims. In fact, fraudulent drawing of sick benefits has become so common that the General Executive Board has been compelled to devise careful means of protecting the systems and of preventing further misappropriations of funds. The Board has also found it necessary to reject many claims that have been recommended by local officials.(1) The first national sick benefit law of the Iron Molders' Union shows two defects in its operation.(2) In the first place some unions objected to the provision allowing travelling members the privilege of drawing sick benefits wherever they may be - provided they deposited their travelling cards with the nearest local union - and secondly, the local union's authority to deduct all dues from the benefit paid was not sufficiently guarded to enforce it, but the members

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(1) Boot and Shoe Workers' Jour., vol.5, Oct.,1904, p.26, Dec., 1904, p.6,31.
(2) Iron Molders Jour. vol.32, p.46.

were constantly becoming suspended for non-payment of dues. In this second defect originated the tendency to convert the sick benefit into an out-of-work benefit, and only to the extent in which the unions have succeeded in providing for emergencies in which aid for the unemployed may be protected to such an extent has this tendency been eliminated. In the Iron Molders' Union this abuse has prevailed more or less throughout its entire history. The practice of the early voluntary association in granting sick benefits too freely to members wherever taken sick while out of employment practically changed the benefit to an out-of-work benefit. So securely did this idea become established that even as late as the middle nineties the national officials were forced to urge the adoption of an out-of-work benefit in order to prevent the overthrow of the newly established national sick system.(1) So also as late as the conventions of 1900 and 1902, the records of the National Union show that although abuse of the sick benefit laws had continued during many years, its growth had been checked somewhat by continued vigilance of both local and national officials.(2) However, many continued to draw full sick benefits for sev-

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(1) Idem, vol. 32, p. 46; vol.33, pp. 173,272,321.
(2) Iron Molders' Jour., vol.36, p.652; Proceedings of twenty-second session, 1902 (Supp. to Jour. September, 1902, Cincinnati.

eral successive years. This the national officers construed a device on the part of the members to evade the spirit of the law and an effort to convert the benefit into out-of-work relief. Hence the convention of 1902 provided that all members who should draw sick benefits three years in auccession should be forced to draw total disability benefit,[1] and even to this day more or less illegal benefits are reported drawn.[2] Also, in the Boot and Shoe Workers' Union abuse of sick benefit laws has continued to the present. Many local unions willingly endorse illegal claims and in this way have aided the disloyal and dishonest member to secure sick benefits, when in fact he is out of employment and has no claim to sick benefits.[3] Also local unions among the iron molders have recently shown corruption in administration of the sick benefit. Financeier Metcalf has found it necessary to call the National Union's attention to the fact that several local unions have granted more than thirteen weeks' benefits in one year.[4] Through fraudulent means of this sort the sick benefits have been extended illegally and their funds have been invaded.

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(1) Iron Workers' Constitution, 1902, (Cincinnati, 1902) Art. 17, sec. 15.
(2) Iron Molders' Jour., vol.41, p.854, (1905).
(3) Boot and Shoe Workers' Jour. vol.5, Oct. 1904, p.26.
(4) Iron Molders' Journal, vol. 39, p.382.

To a large extent, however, deficiency in administration of sick benefits has been remedied in the most thoroughly organized unions. This end has been reached by incorporating more efficient regulations and through these a greater degree of centralization has been established. The system, maintained by the Cigar Makers' of distributing international funds among the several local unions has done much to avoid complications in administration; through a system of internal checks and balances, frequent reports, and constant oversight by travelling international officials much dishonest administration has been avoided and greater obedience to international laws is now being maintained. In general wherever there is the most highly developed form of centralized supervisory power, restrained from dictatorial leadership by executive boards and the popular initiative and referendum, the serious defects in sick benefit laws have largely been overcome.

Chapter V.

OUT-OF-WORK BENEFITS.

The out-of-work benefit, strictly speaking, is of English origin and has made comparatively little advancement in America as a national trade union benefit. However, many American trade uions have for many years considered it an important factor in advancing trade union principles, and to-day some of the most prominent labor organizations maintain systems of out-of-work benefits, or offer relief in some form to their unemployed members. So far relief to the unemployed member has assumed three principal forms: (1) an out-of-work benefit in which the unemployed member receives a fixed amount per week in cash for a definite number of weeks during any one year, (2) out-of-work relief in the shape of exemption from weekly or monthly dues for a definite period during a given year, and (3) a cash loan of definite amount, sufficient to transport the unemployed member to some other field in search of employment--the amount of the loan not to exceed a fixed sum for any one time, or a certain aggregate during any year. The first and second of these are technically termed out-of-work benefits; while the third is

known as a traveling benefit, and is granted to the unemployed as assistance in securing employment whenever it becomes necessary to secure work beyond the jurisdiction of his local union.

At present at least twenty American unions pay out-of-work relief in one of the first two forms. These are: Amalgamated Carpenters,(1) Cigar Makers, Watch Case Engravers, Coal Hoisting Engineers, Brotherhood of Locomotive Firemen, Flour and Cereal Mill Employees, Fur Workers, Jewelry Workers, Glass Snappers, Granite Cutters, Leather Workers on Horse Goods, Machine Printers and Color Mixers, Mattress, Spring and Bed Workers, Iron Molders, Pattern Makers, Print Cutters, Tack Makers, Tobacco Workers, and Deutsch-Amerikanischen Typographia. Of this number the principal unions that pay a cash money benefit are the Cigar Makers, the Coal Hoisting Engineers, the Jewelry Workers, the Pattern Makers, and the Typographia. The most important unions that provide for exemption from national dues are the Iron Molders, the Tobacco Workers, the Granite Cutters, the Brotherhood of Leather Workers on Horse Goods, and the Brotherhood of Locomotive Firemen.

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(1) Rep't of Industrial Commission, Vol. 17, pp.138-143 (Washington, 1901). The Amalgamated Carpenters is an English Union principally, but on June 1, 1902, there were 44 branches representing 3307 members in United States.

In addition to these other unions either have made repeated efforts to adopt national out-of-work benefits, have authorized and encouraged their local unions to pay this benefit, or have provided a system of loans for their members who are forced to seek employment outside the jurisdiction of their local unions. The principal unions that have made efforts, but have so far failed, to found national out-of-work benefits are the International Typographical Union, the United Brotherhood of Carpenters and Joiners, and the Boot and Shoe Workers' Union.

On the other hand the unions that pay a cash loan as a traveling benefit are Amalgamated Carpenters, Cement Workers, Cigar Makers, Chair Makers, Compressed Air Workers, Lace Curtain Operations, Watch Case Engravers, Flour and Cereal Mill Employees, Fur Workers, Glass Snappers, Hod Carriers and Building Laborers, Leather Workers on Horse Goods, Machine Printers and Color Mixers, Mattress, Spring, and Bed Workers, Shipwrights, Slate Quarrymen, Tile Layers and Helpers, and Deutsch-Amerikanischen Typographia. Of these the Cigar Makers' Union, the Typographia and the Brotherhood of Leather Workers' on Horse Goods are the most important. The Cigar Makers and the Workers on Horse Goods paid during 1904 $58,728.71, and

$7,700 respectively out of a total of less than $75,000.(1)

Providing employment for the unemployed members and caring for them while out of work has for many years been a serious problem among American trade unions. Those unions that have succeeded in establishing this feature do not represent systems of spontaneous growth but rather of systematic development,- the result of many years of actual experience,- the permanency of which has finally been assured, even to the extent of the unions' success. Foremost among the unions to agitate this question was the Cigar Makers' International Union. For fifteen years the leaders of this organization, assisted by some of the more prominent subordinate unions, were active in educating its members and the union at large in the principles of out-of-work assistance. This work was carried on largely through the national officials on the one hand, urging the theoretical side and by many subordinate unions, on the other, demonstrating the practical side. Chief among these local unions were Nos. 39 of New Haven and 144 of New York City, the latter of which Mr. Gampers was

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(1) Cigar Makers' Journal, Vol. 31, April 15, 1906, p. 13; "Report of Proceedings of Twenty-fourth Annual Convention of American Federation of Labor" 1904, p.46 (Washington, 1904).

for many years an active member. Successful operation of out-of-work benefits in these subordinate unions made possible this final introduction as national benefits.

Although the International Cigar Makers' Union was without a premanent system of out-of-work benefits for twenty-five years, the earlier constitution contained provisions of a short-lived nature. The Constitution amended in 1867 provided that married men and unmarried men, having others dependent upon them, should receive $8. per week, during unemployment, and that unmarried men without dependents $5. per week.(1) In 1870 this rate was fixed uniformly at $7. per week for all members of the Union.(2) This first out-of-work benefit continued in force for a few years only and consequently during the remainder of this period, up to 1890, the only relief granted to members out of employment was a traveling loan to those who wished to seek work outside the jurisdiction of their local unions.

On the other hand, however, many subordinate unions were active in caring for the unemployed and were also increasing their power and influence as factors in shaping

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(1) Cigar Makers' Constitution 1867, Article 7 (MS)Buffalo.
(2) Ibid 1870 Article 7 (MS) Suracuse.

the legislation of the International Convention. The strongest advocacy for a national out-of-work benefit system came from local unions Nos. 144 and 39. As early as 1876, No. 144 proposed a plan to the International Convention, based upon that operated by the local itself, under which a member was entitled to receive aid for a term of three weeks, to commence with the second week of non-employment.(1) This proposition failed; but the constitution adopted by the International Convention of that year provided that sick members should have their cards receipted with the out-of-work seal. Again in April, 1877, local union No. 39 proposed a plan for an international benefit, which was soon followed up by other similar propositions at the eleventh convention, Rochester, 1879. Although International President Hurst endorsed the idea and recommended that it be placed before the subordinate unions for consideration, the International Convention defeated it. However, a substitute, proposed by Mr. Gampers, was adopted instead. This provided that every subordinate union should establish a labor bureau for the purpose of designating work to unemployed mem-

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(1) Cigar Makers' Journal, Vol. 1, September, 1876, p. 1.

bers.[1]

Upon this compromise measure the subordinate unions were forced to rely and through it, as a basis, during the subsequent ten years the International Union was prepared for a permanent out-of-work benefit. During this period both local unions and the International Convention made frequent efforts to effect a nationalization of out-of-work relief.[2] And nothing had more influence in this direction than the adoption, October 11, 1875, and the successful operation of an out-of-work system, by local union No. 144 of New York City.[3]

The Cigar Makers' present National System of our-of-work benefits was adopted at the eighteenth session, New York City, September, 1889, and became operative the last of January, 1890.

The measure finally adopted by the International Convention was proposed by Mr. Gampers. It provided that members in good standing should receive $3. per week and

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(1) Cigar Makers' Journal, Vol. 2, April, 1877, p.2; Vol. 3, October, 1877, p.3; Vol.5, September, 1879, p.3.
(2) Ibid, Vol. 8, September, 1883, p.__; Vol. 11, October, 1885, p. 6; Vol. 13, July, 1888, p. 7; Vol. 14, December, 1888, p.3.
(3) Ibid, Vol. 14, February, 1889, p.8.

fifty cents for each additional day, that after receiving six weeks' aid the member should not be entitled to further assistance for seven weeks, and that no member should be granted more than $72. during any one year. Further provision was made that no benefit be granted between December 16 and January 15, and July 1 and July 15 of any year.[1] This original provision has remained practically unchanged with the exception of reducing, in 1896, the annual allowance per member from $72. to $54.

From the outset the operation of this system has been successful. The first benefit was paid January 22, 1890.[2] The International President's report to the nineteenth session, September, 1891, showed that 2286 members out of 24,624, or less than 10 per cent. of the total membership, drew out-of-work benefits, during the first year, to the amount of $22,760.50; while during the first six months of 1891, the second year of its operation, 1074 out of 24221, or less than 5 per cent., received assistance to the amount of $13,214.50.[3] During 1892, $17,466.75, or

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(1) Cigar Makers' Journal, Vol. 15, October, 1889, pp.17-18; Constitution amended 1889, Article 8.
(2) Ibid, Vol. 15, February, 1890, p.9.
(3) Cigar Makers' Journal, Vol. 17, October, 1891, p.5.

65 1/2 cents per capita was paid as compared with 92 cents and 87 cents of 1890 and 1891 respectively. These years were immediately preceding the great industrial and financial panic of 1893-1897 and consequently during the following years the per capita amount paid showed considerable increase. In 1894 the unemployed cost the Union $174,517.25, or $6.27 per capita and in 1896 $175,767.25, or $6.43 per capita.(1) Since 1897, the yearly amount paid out has gradually decreased with the exception of years 1901 and 1904. During sixteen years of its operation, ending January 1, 1906, $1,045,866.11 was paid to unemployed members.(2)

The Deutsch-Amerikanischen Typographia, although the first American Union to found a successful national out-of-work benefit, did not succeed in making this advancement until 1884, eleven years after organizing the national union. And although the preamble, adopted at the first national convention in Philadelphia, 1873, embodied a provision for the support of members "in case of sickness or

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(1) "Proceedings of Twenty-first Session, September, 1896." (In Official Journal, Vol. 22, No.1.)
(2) Journal, Vol. 31, April 15, 1906, p.13.

when unable to obtain work," out-of-work relief was not included in the benefits decided upon at that convention.(1) However, in 1884 when the union nationalized its system of benefits, out-of-work assistance was made equal in amount to that paid in case of sickness. The New York Convention of that year fixed the out-of-work benefit at $5. per week. In 1888, owing to the prosperous conditions of the Union, this amount was increased to $6. per week, but later, July, 1894, because of the strain upon the funds of the organization through the introduction of type-setting machines and the general business depression, this amount was reduced to the original $5. rate.(2)

The system in force at present provides that members in good standing, who have been on the unemployed list for eighteen days shall be entitled to $6. per week. After drawing $24., no further benefit is granted until the member is on the unemployed list again for eighteen days, and no member is entitled to more than $96. in any one fiscal year. If, however, the member is out of work because of his own fault, no aid is given until he is on the unem-

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(1) "American Federationist" Vol. 2, No.4, p. 61.
(2) Ibid.

ployed list for thirty-six days. If he voluntarily give up his position, he is entitled to no aid for four weeks unless the Executive Board endorses his action, and if he refuse work, he is given no assistance for six weeks.(1) Since 1888, with the exception of the fiscal years ending June 30, 1890, and June 30, 1891, the out-of-work assistance has been the heaviest benefit paid by this union. During the year ending June 30, 1894, $17,252.50, or $14.33 per capita, an equivalent of 48 per cent. of the total disbursements for all benevolent purposes, was paid in out-of-work claims. Prior to this date the yearly disbursements gradually increase, but subsequently they have, for the most part, decreased.(2) The total amount paid up to June 30, 1906, was $145,826.91(3) or a yearly per capita average of $6.06.(4)

The Pattern Makers pay a "victimized" benefit to members out of work because of adherence to the principles of the League. Members coming under this class receive $7.00 per week, payments to commence from date of appli-

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(1) Report of Industrial Commission, Vol. 17, p. (1901).
(2) Vide tables pages infra.
(3) Jahres-Bericht der Deutsch-Amerikanischen Typographia, p. (1905).
(4) Vide table page infra.

cation, but no benefit to be paid for a period less than one week.[1]

The National Brotherhood of Coal Hoisting Engineers pay $5. per week to members out of employment, after the first thirty days, until work is secured, or until the expiration of 12 weeks.[2] The Jewelry Workers provide $7. per week to married men and $5. to unmarried men.[3]

The systems of out-of-work benefits maintained by the Iron Molders, the Pattern Makers, the Tobacco Workers, the Granite Cutters, the Leather Workers on Horse Goods, and the Locomotive Firemen do not provide for a cash payment, but exempt the unemployed member from payment of national dues while out of work, or for a definite period of unemployment. This is only a device on the part of the unions to retain their members in "good standing" during their non-employment and is in no measure an attempt to support the member while idle.

The history of the introduction of this benefit by the Iron Molders' Union is typical of the conditions many

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(1) Pattern Makers' Constitution, 1906, New York, n.d., p.17.
(2) Constitution 1902 (Danville, Ill., n.d.), p.14.
(3) Constitution 1902 ( ).

unions must face in their attempt to found strong and permanent protective organizations. The idea of a national out-of-work benefit among the Iron Molders arose from a case of necessity. The Union was forced to resort to some method of protecting the system of benefits--especially the sick benefit--from corruption and abuse, and thereby to further strengthen the Union as a national organization. Misapplication of existing sick benefit laws had to be corrected. For several years there had been a growing tendency among local unions of the Iron Molders to extend the sick benefit to an out-of-work benefit. Already the local unions had demonstrated the efficiency of local out-of-work benefits, and consequently at this stage a general demand arose for a national out-of-work system. Hence in July, 1895, the National Convention adopted a system, which became operative September 1, 1897, but under which no relief was to be granted until October 1, 1897.(1) Under this first national out-of-work relief system all members of six months' standing, who were not in arrears for more than four weeks' dues, were

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(1) Iron Molders' Journal, Vol. 33, pp.173, 272, 321.

entitled to relief from payment of dues for 13 weeks during any fiscal year, an equivalent of 18 cents per week, or $2.34 per year.(1)

This benefit law was the outcome of a long struggle on the part both of private members and of national officials. They had many years previously realized the significance and importance of out-of-work relief and were agreed that such a system was both desirable and expedient. And yet the leaders thought it unwise to inaugurate an additional benefit under the existing deficient fiscal system, and feared the introduction of any new feature lest it prove detrimental to the Union. However, after the adoption of the national sick benefit law, January 1, 1896, there soon accumulated a surplus in the sick benefit fund. With this as a source of revenue all fear of lack of funds was dispelled, and the national organization soon determined upon a workable out-of-work benefit law.

The good results of out-of-work relief soon followed. In 1898 the national financier reported the first significant influence of the system. He showed that the

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(1) Constitution 1902 (Cincinnati, 1902), Art. 19.

membership from January 1, 1896, to January 1, 1900, had practically doubled. This, however, he attributed to the combined influence of the sick and the out-of-work laws. On January 1, 1896, there were 20,960 members, and on January 1, 1900, 41,189. For 1898 the receipts to the out-of-work relief fund were $6,861.61, while the disbursements were only $1278., representing 7100 out-of-work stamps. This, however, says the financier, was not a fair average of idleness in the organization.(1) During this time the out-of-work funds increased rapidly and on June 20, 1899, the surplus showed a balance of $14,098.57. Because of the comparatively little idleness among the members, the Executive Board, at the Indianapolis Convention, 1899, transferred $10,000. of the surplus to other funds, of which $5,000. went to the expense fund of the convention, $3,000. to the strike fund, and $2,000. to the monthly fund. For the term ending June 20, 1902, the national Secretary paid out $12,110. for "out-of-work" stamps and there still remained a balance of $39,520.27.(2) During the first four years, ending October 1, 1901, the

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(1) Journal, Vol. 33, p.73.
(2) Proceedings of Twenty-second Session, p.646 (1902) (Supplement to Iron Molders' Journal, September, 1902. Cincinnati).

out-of-work stamps aggregated 60,325, of which 31,527 were used during the fiscal year ending October 1, 1901.(1) Also for the year ending October 1, 1904, dues for 94680 weeks were paid, aggregating a total of $23,420.(2)

The Tobacco Workers' Union provides that members out of employment shall be granted twelve weeks in which to pay back dues before suspension from the Union shall apply.(3)

The Granite Cutters' Association provides that any member in good standing and out of employment for two months or more shall be exempt from half dues, provided he maintain his good standing in the meantime.(4)

The Brotherhood of Leather Workers on Horse Goods grants exemption from payment of dues for a period of 13 weeks in any one year to the unemployed members.(5)

The Brotherhood of Locomotive Firemen provides that any member out of employment and unable to pay dues or assessments shall be prevented from expulsion by the local lodges paying his dues. It is optional with the subor-

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(1) Journal, Vol. 37, p.275.
(2) Journal, Vol. 40, p.580 (1904).
(3) Constitution, 1900, 3rd ed., 1905 (Louisville, n.d.), Sec. 43.
(4) Constitution, 1906 (Quincy, n.d.), p.45.
(5) Constitution, 1904 (Kansas City, n.d.), p.22.

dinate lodge as to whether or not it shall keep the members in good standing for more than one quarter.(1)

In addition to the above mentioned unions, others have made efforts to introduce national out-of-work benefits. The principal of these are the International Typographical Union, the United Brotherhood of Carpenters and Joiners, and the Boot and Shoe Workers' Union. These unions are among the large list of American Unions that have fallen short of that stage of development to which the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia have attained in providing the largest possible benefits for their members. Undoubtedly these two unions, with the out-of-work benefits equally as efficient as any of the other benefits, have done much to encourage other unions to extend their sphere of activity. Hence subsequent to 1894, when the out-of-work benefit idea had been successfully demonstrated, both local and national organizations began to discuss the advisability of a similar feature, and the three above mentioned unions are prominent examples of those that have faced failure.

None of these unions has been more active than the

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(1) Constitution, 1905,(Indianapolis n.d.), Sec. 195.

Typographical Union. This organization pursued the same policy already adopted by those unions in which there was a struggle for the beneficiary spirit to gain supremacy. The subordinate unions constituted the real battle ground. In them the fundamental principles were discussed and rules formulated, and through them, as the principal agency, the national body was finally reached. Naturally, therefore, Typographical Union No.6 of New York City has been a most active centre. In October, 1895, this local union adopted an out-of-work benefit, which provided, for its unemployed members, a benefit of $4. per week for a period of 8 weeks.(1) Such activity on the part of the leading local union added considerable force to the movement for an international benefit.

However, activity in this field has not been confined entirely to local unions. International President Prescott, for many years, urged the adoption of an international out-of-work benefit. In his report to the forty-second annual session of the International Convention, 1894, he recommended an out-of-work benefit, in preference to a

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(1) Typographical Journal, Vol. 7, No.5, p.3.

sick benefit, as the first duty of the Union at large. He showed that during 1894 several of the largest local unions had found it necessary to levy special assessments for the support of unemployed members. The percentage of non-employment, especially in large cities, had increased rapidly. This the president attributed to the influx of new men from smaller cities whence they were driven because of the introduction of improved machinery. A large per cent. of these unemployed consisted of old men who, because of competition with young men in the use of modern machinery, had become objects of care. The neglect of this class of men President Prescott considered criminal, and he, therefore, urged the Union to arouse itself to its duty and to offer systematic relief to all unemployed members, lest it be granted in the shape of charitable aid.(1) However, despite these efforts, all amendments, proposed at the forty-second and the forty-third annual sessions of the International Convention, failed.(2)

Similarly the United Brotherhood of Carpenters and Joiners and the Boot and Shoe Workers have been unsuccess-

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(1) "Proceedings of the Forty-second Annual Session," 1894, p.3.
(2) "Proceedings of the Forty-third Session" 1896, pp.76, 86.

ful in founding systems of national out-of-work benefits. In 1894 at the eighth general session and again at the ninth in 1896, the Carpenters and Joiners made attempts to inaugurate this benefit.(1) Also the Boot and Shoe Workers at their fifth Convention, 1902, failed to adopt the proposed plan for a national system, but as a partial substitute the Convention enacted a clause recommending all local unions to raise funds for the payment of dues of out-of-work members and to provide such other relief as they should deem wise, "to the end that from the experience so gained a national plan for relief of unemployed members may be developed."(2)

The system of relief for unemployed members of American trade unions is a more or less perfected form of the systems of loans or traveling benefits, long in practice before the adoption of the present system of out-of-work aid. The presence of unemployed men in a community is a standing threat to the employed. No fact has been more impressed upon the laboring world, and hence the idea of finding employment for the idle, or of getting them out of a community in which the supply of labor

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(1) "The Carpenter" Vol.14, September, 1894; Vol.16, September, 1896.
(2) "Proceedings of the Fifth Convention" 1902, p.28.

is excessive and into one where it is scarce has long been a serious problem among trade unions. The most successful attempt to accomplish this has been through the instrumentality of systems of out-of-work benefits by which the members may be supported partially while out of employment, or of systems of loans by which the unemployed may be removed to places of employment.

The histories of beneficiary systems of some of the principal unions show that a system of loans or traveling benefits has preceded the out-of-work benefit. The systems of loans may thus be termed the first stage of out-of-work benefits. This is true notwithstanding the fact that the Cigar Makers' Union, the Deutsch-Amerikanischen Typographia, the Watch Case Engravers, the Flour and Cereal Mill Employees, the Fur Workers, the Glass Snappers, the Leather Workers on Horse Goods, the Machine Printers and Color Mixers, and the Mattress, Spring, and Bed Workers maintain at present both traveling and out-of-work benefits. Originally the loans or traveling benefits had to do the work done by both at present. The inadequacy and the inefficiency of this practice were more evident to no one than to the skilled trade union men, and in no

union so we find the two features better developed and their efficiency as complements of one another better shown than in the Cigar Makers' International Union. Operating as complementary factors, they form the two principal methods adopted by trade unions of caring for the unemployed laborer. The employed member is thus free to retain his position without fear of being supplnated by the idle member and with some assurance that his wages will not be reduced by an over-supply of labor.

This history of the loan or traveling benefit in the Cigar Makers' Union begins in the earliest years of the Union. Prior to the Detroit Convention, September, 1873, the Union maintained a system of loans. Under this system any member, traveling in search of employment, on securing the endorsement of the local union to which he presented his card, was entitled to a loan sufficient to transport him to the nearest union. The local union in which the traveling member secured employment was required to collect at least 20 per cent. of the weekly wages of such member.[1] This first attempt was an absolute failure.[2] However failure at the beginning prepared

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(1) Cigar Makers' Constitution, 1867, Art. 11 (MS Copy Johns Hopkins) pp. 154-156.
(2) Cigar Makers' Journal, Vol. 1, October 5,1878,p.3.

the Union for the establishment of a better system. The evil effects of the presence of idle men among the employed were evidenced, and a method of transporting them to other fields of employment became urgent as a means of decreasing local competition and removing a primary cause of strikes.

Before the International Union could found a permanent system of loans it was necessary to educate the members at large to its importance. The local unions were the principal, if not the only, agencies of effecting this. The leading unions readily assumed this responsibility. In October, 1878, local Union No.122 proposed an amendment to the international Constitution to provide a means of aiding "all traveling craftsmen in need." Since the original system of loans had failed, this local union proposed that the new system provide for an absolute gift.[1] This met with opposition and failed to reach the International Convention; but in August, 1879, local Union No. 144 proposed an amendment, which formed the basis of the present system of traveling benefits.[2] This amend-

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(1) Ibid
(2) Journal, Vol. 4, August, 1879, p.2.

ment, becoming effective May 1, 1880, provided that a member of six months' standing and out-of-work should receive a sufficient sum to transport him by the cheapest route to the nearest union, the total loan not to aggregate more than $20.[1] The failure of this law to limit the amount of the first loan to which a member was entitled, or the amount he might receive at any one time, caused strong opposition. In 1884, however, this amount was limited to $12., and in 1896 was permanently fixed at $8.[2]

The funds granted under these laws to traveling workmen have generally been considered loans in the strictest sense. The Cigar Makers have always required the members to return the amount borrowed from a specific union before a second loan may be granted by the same union. The refunding of these loans, in case of the Cigar Makers' Union, must commence with the first week of employment, and must be repaid at the rate of 10% of the weekly earnings.[3] The Brotherhood of Leather Workers

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(1) Constitution, 1880 (New York, 1880), Art.4.
(2) Constitution, 1884, Art. 7 (New York, 1884); Constitution, 1896, 14th edition (Chicago, n.d.), p.27 (Issued in 1906).
(3) Constitution, 1880 (New York, 1880), Art.4, Constitution, 1896, 13th edition (Chicago, n.d.), p.28.

on Horse Goods requires refunding at rate of 15 per cent. of weekly wages.[1] However the German-American printers, on the other hand, grant traveling loans as an absolute gift.[2] This is the only case in which loans are granted without requiring repayment, and the union in which the traveling loan approaches most nearly an out-of-work benefit.

The total amounts of traveling benefits paid yearly in some of the leading unions furnish some idea of the importance of this benefit. Since date of inauguration to January 1, 1906, the Cigar Makers' International Union has paid a total of $991,777.98 in traveling loans, or an average of $38,145.31 per year.[3] The Deutsch-Amerikanischen Typographia, from date of inauguration, July 1, 1884, to June 30, 1906, paid $116.11, or an average of $368.91.[4] For the year ending September 30, 1904, the Cement Workers paid $1600., the Flour and Cereal Mill Operations, $2084.95, the Hod Carriers and Building Labor-

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(1) Constitution 1905 (Kansas City, n.d.), p.21.
(2) Report of Industrial Commission, Vol. 17, p. XLII.
(3) Journal, Vol. 31, April 15, 1906.
(4) Hugo Miller--"25 jährige Geschichte der Deutsch-Amerikanischen Typographia" 1873-1898, p.58; Jahres-Bericht, 1899-1906.

ers, $1500., and the Leather Workers on Horse Goods, $7703.15.[1] The following table contains the yearly amounts paid and the average per member in traveling benefits by the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia since inauguration of the benefit.

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(1) "Report of the Proceedings of Twenty-fourth Annual Convention of American Federation of Labor." 1904 (Washington, 1904), p.46.

Year (1)	Cigar Makers. Loans to traveling members (2)	Average per member.	Typographia. Loans to traveling members.	Average per member.
1880	$ 2,808.15	$0.63		
1881	12,747.09	.87		
1882	20,386.84	1.78		
1883	37,135.20	2.81		
1884	39,632.08	3.48		
1885	26,683.54	2.22	$345.50	$0.61
1886	31,835.71	1.29	264.10	.27
1887	49,281.04	2.34	483.45	.44
1888	42,894.75	2.50	569.29	.59
1889	43,540.44	2.71	456.17	.40
1890	37,914.72	1.53	576.65	.46
1891	53,555.73	2.21	622.47	.47
1892	47,732.47	1.78	797.19	.57
1893	60,475.11	2.25	439.84	.31
1894	42,154.17	1.52	680.96	.56
1895	41,657.16	1.50	304.46	.27
1896	33,076.22	1.39	339.86	.30
1897	29,067.04	1.10	279.50	.25
1898	25,237.43	.95	390.62	.35
1899	24,234.33	.83	320.74	.29
1900	33,238.13	.97	178.79	.17
1901	44,652.73	1.31	175.05	.17
1902	45,314.05	1.22	107.28	.11
1903	52,521.41	1.33	159.56	.16
1904	58,728.71	1.41	181.85	.18
1905	55,293.93	1.37	195.46	.20
1906			147.52	.15
Totals	$991,777.98		$8116.11	
	Yearly average,	$38,145.31	368.91	
	Average per member,	1.63	.33	

(1) The fiscal year prior to January 1, 1886, closed on October 31. Since then on December 31. In The Typographia year ends June 30.

(2) Cigar Makers' Journal, Vol. 31, April 15, 1906, p.13.

The original purpose of traveling loans was to furnish transportation to members in search of employment. This, however, was soon abused among the Cigar Makers by incompetent and untrustworthy local officials. The financial secretaries failed to interpret the laws with precision, and by their unfaithfulness the whole system was practically converted into an out-of-work benefit.(1) Besides granting illegal loans, many of the financial secretaries failed to enforce the law requiring the loans to be refunded at the specified rate. This neglect endangered the entire system,(2) and although, by fraudulent means, the system, originally designed to assist the unemployed members in transportation while in search of work, was being used as an out-of-work benefit in disguise, it served to define more definitely the sphere of the out-of-work benefit when finally adopted.

In the ten years previous to the adoption of the permanent system of out-of-work benefits by the Cigar Makers, while the advantages of traveling loans were being tested, the necessity of a system of out-of-work benefits

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(1) Cigar Makers' Journal, Vol. 8, July 10, 1881, p.1.
(2) Journal, Vol. 9, July, 1884, p.3 of No.

was forcibly demonstrated. The trial of a traveling benefit and the tendency to convert it into an out-of-work benefit furnished the Cigar Makers an opportunity of distinguishing the two features. So in 1889, five years after the inauguration of traveling benefits by the Deutsch-Amerikanischen Typographia, the Cigar Makers' International Convention adopted an out-of-work benefit law, and thus placed the two features upon separate and distinct bases. This separation and distinction, however, will never eliminate completely the natural relation of the two.

The development of out-of-work relief has clearly outlined two principal kinds of assistance for the unemployed labor union man. In the first place the member out of employment receives a fixed cash amount per week for a given period, out of which he must pay all dues incumbered upon him as a member of the organization. In the second place the member is granted relief in the form of exemption from union dues for a definite period. During this interval the national union pays all dues or places to the credit of the member a sum equal in amount to the dues for the given period. The principal unions

of the first class are Cigar Makers' International Union, Deutsch-Amerikanischen Typographia, Pattern Makers and Coal Hoisting Engineers. Of the latter class are Iron Molders' Union, Tobacco Workers' Union, Brotherhood of Locomotive Firemen, and Brotherhood of Leather Workers on Horse Goods.(1)

Admission to the rights and privileges of the out-of-work benefit or relief is compulsory in nature. And yet enjoyment of these is conditional upon the length of membership in the union, the cause of being out-of-work, and the condition of the member's financial standing in his local union. It is compulsory in that every member must contribute to its maintenance by payment of weekly or monthly dues or taxes for the support of the Union in all of its phases of protective and benevolent activities. The Cigar Makers and the Deutsch-Amerikanischen Typographia provide that any member of their respective union in good standing for two years shall be entitled to the benefit.(2) The Iron Molders require active membership in good stand-

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(1) For complete list of the two classes, see page 2 supra.

(2) Cigar Makers' Constitution, 1896, 13th Edition (Chicago, n.d.), Sec. 117; Typographia Constitution, 1901.

ing for at least six months previous to getting out-of-work.[1] The Granite Cutters provide that the member be in good standing and out of employment for two months, or longer, before he may be granted the benefit.[2] The Leather Workers on Horse Goods specify that the idle member shall report at the first regular meeting of his local lodge after becoming idle; while the Tobacco Workers compel their idle members to report to their local financial secretary at least twice per week.[3]

To prevent fraudulent drawing of out-of-work benefits and to further protect the systems against various forms of corruption, some of these unions have placed restrictions upon the above named specifications. In case the member lose his employment through intoxication, or other misconduct, the Iron Molders deny him all assistance while the Cigar Makers exclude the member from all privileges of the benefit for a period of eight weeks thereafter and the Deutsch-Amerikanischen Typographia requires that the

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(1) Iron Molders' Constitution, 1902 (Cincinnati, n.d.), p. 43.
(2) Granite Cutters' Constitution, 1905 (Quincy, n.d.), p.45.
(3) Leather Workers' on Horse Goods Constitution, 1904, p. 22 (Kansas City, n.d.); Tobacco Workers' Constitution, 1900, 3rd ed., 1905 (Louisville, n.d.), sec. 43.

members remain on the unemployed list for thirty-six days. Also each union fixes a minimum period of good standing before out-of-work assistance is given. In other words the member must keep up the payment of all dues for a given time or must not owe dues for more than a given number of weeks. In the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia, the members are entitled to out-of-work benefit after payment of weekly dues for two years. The Iron Molders must have paid at least six months' dues and must not be in arrears for more than six weeks' dues at the time of becoming unemployed; while in the Pattern Makers League the member has no claim on the benefit if in arrears for eleven weeks.

From this, therefore, it is seen that the enjoyment of out-of-work privileges is for the most part in the hands of the members themselves. The laws of the several unions have placed the responsibility of the member's participation in the benefit largely within his own power. Neither incapacity for performing competent work nor an unwillingness to work under any surroundings will totally debar the laborer from the benefit. A failure, therefore, to draw his allowance when unemployed can very largely be

attributed to the member himself, through carelessness on his part or indifference to his own interests.

The primary aim of all beneficiary departments among labor unions is the protection of the laboring man against the vicissitudes of the labor world. In this the out-of-work benefit has a specific work to perform. The primary object of the out-of-work *per se* is not so much the saving of individual members from distress as the maintenance of trade conditions. In application of this principle relief has taken several forms, of which the principal are to aid members over long periods of industrial depression, to regulate wages, to enforce shop rules, to prevent strikes, and to aid in the establishment of permanent organizations.

The principle of out-of-work benefits as well as the machinery for its operation may be said to be second-hand with American trade unions. The ostensible object of the benefit is to protect the individual against the contingencies of his trade, while the real aim is more general in scope and has the British idea as its basic principle. The out-of-work benefit, say the Webb's, "is valued not

exclusively, or even mainly, for its protection of the individual against casualties. In the mind of the thoughtful or experienced trade unionist its most important function is to protect the standard rate of wages and other normal conditions of employment from being 'eaten away,' in bad times, by the competition of members driven by necessity to accept the employer's terms."(1) While the main object, therefore, of the individual may be to provide against personal distress or inconvenience, the object of the unions, from a collective point of view, is to prevent the idle member from accepting employment on terms which would hinder collective bargaining or in any way be injurious to union principles.

In the first place, the principle of aiding trade union men during long periods of industrial depressions has long been a primary factor in the trade union world. This has been demonstrated in both English and American Unions. However, since the benefit is largely of English origin, American Unions have drawn therefrom many ideas relative to successful operation and have received in-

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(1) Sidney and Beatrice Webb, Industrial Democracy, pp. 161, 165.

spiration and encouragement in further development of the principle. During the panics of 1867-1869 and 1877-1879, the membership of English Unions that maintained out-of-work benefits increased, while in America, where this benefit was unknown, there was a decrease in membership.[1] During the panic of 1873-1878, the membership of the Cigar Makers' Union showed a rapid decrease. In 1869 it numbered 5800; in 1877 this had fallen to 1017. This declination has been attributed to the lack of an out-of-work benefit, as a means of supporting those thrown out of employment.[2]

The ability of English trade unions to carry the greater portion of their membership over periods of industrial depressions has shown an important effect from efficient out-of-work benefits. Their growth and stability have generally been accredited to complete systems of benefits, of which the out-of-work feature forms a princi-

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(1) Cigar Makers' Journal, Vol. 10, June, 1885, p.6, July, 1885; Vol. 23, May, 1898, p.8.

(2) Cigar Makers' Journal, Vol. 19, May, 1894, p.8; Vol. 10, July, 1885.

Table showing decline in membership of the Cigar Makers' Union:

1869 = 5800	1875 = 1604	1881 = 12,400
1873 = 3771	1877 = 1017	1882 = 11,430
1874 = 2167	1879 = 1250	1883 = 13,214
	1880 = 3870	

pal part.[1] On the other hand American unions in their early development show a sharp and sudden falling off of members during every decline in employment. The chief preventive of repetitions of this in recent years has been the maintenance of satisfactory benefits by which union members have been kept in employment or supported when out of employment. Nothing demonstrates this more clearly than a study of the membership of the Cigar Makers' Union in its passage through the panics of 1873-1879.[2] During the former period when there were no out-of-work benefits in operation and other benefits were in their

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(1) The out-of-work benefit among the unions of Great Britian takes the first place among their insurance or beneficiary features--even exceeding the payments on account of strikes. Seventy-one of the one hundred principal unions pay out-of-work benefits. From 1892 to 1899 this benefit made up 22.5 per cent. of the aggregate expenditures of the one hundred principal unions, while the strike benefit was 21.4 per cent. Vide Report of Industrial Commission, Vol. 17, p. XLI (1901)

(2) Vide note above and table on page 189 Chapter on "Death Benefits."

crudest form, the Union declined in membership from 5800 in 1869 to 1017 in 1877; while from the panic of 1893-1897 the Union, through the out-of-work system combined with other benefits, emerged with only a slight decrease in membership, from 27,828 in 1894 to 26,347 in 1897, or a decline of only 481.

The Typographia shows the same general results for the panic of 1893-1897; while in such unions as the Brotherhood of Carpenters, the International Typographical Union, and the Brotherhood of Painters whose out-of-work benefits in any form are unknown the effects of industrial depressions have been the opposite. The membership of the Carpenters during 1893 and 1895 inclusive decreased from 54,121 to 25,152 or 53.5%, the Typographical Union from 31,379 in 1894 to 28,096 in 1897, or 10.4%, and the Painters from 20,000 in 1894 to 9,900 in 1897, or 50.5%. Neither of these unions maintained as complete benefits as the Cigar Makers or the Typographia, and consequently their decline in membership was commensurate to the inefficiency of their systems.

The question might be raised at to what extent the strike benefit enters in maintaining the membership of an

organization during a panic or during the natural development of the union. In other words to what extent is it given as a quasi-out-of-work benefit? Do not the members of those organizations without full benevolent systems enter into a strike for the weekly monetary advantage in it? Have not those unions that disburse annually enormous sums for strike purposes maintained an out-of-work benefit in disguise? Definite answers to such questions are impossible, but it has been shown that such is highly probable. In the purely defensive unions, as the Amalgamated Association of Iron, Steel, and Tin Workers, the United Mine Workers, the National Brotherhood of Operative Potters, and the Bricklayers and Masons' International Union, the great proportion of union funds is devoted to strike purposes. While in those unions that combine the benevolent idea with the defensive strike disbursements consume a much smaller proportion of the general income. Hence we find that in the railway brotherhoods, the Cigar Makers' International Union, the German-American Typographia, the Boot and Shoe Workers' Union, and the International Typographical Union, all of which maintain more or less complete systems of benefits, "the cost of strikes

forms but a minor part of the total disbursement. Thus, the total expenditures of the Cigar Makers' Union during the five years preceding 1904, amounted to $3,514,182.36. Of this, but $361,475.87, or 12.8 per cent., was paid out in strike benefits. Similarly, in the International Typographical Union, for five years ending June 30, 1904, but $226,411, or 25.8 per cent. of the total expenditure of $876,044, was spent for defensive purposes. In the Boot and Shoe Workers' Union, the proportion is much less than in either of these, only $46,270, or less than 8.5 per cent. of a total expenditure of $552,242, being paid out for strike benefits during the five years ending June 1, 1904. On the other hand, the United Mine Workers during the four years preceding 1904 expended over $2,566,584.86, or more than two-thirds of its total expenditure, in granting strike relief to local and district unions."(1)

In the second place, American trade unions advocate out-of-work benefits as a means of regulating and of maintaining a standard scale of wages. By affording protec-

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(1) Sakolski - "The Finances of American Trade Unions." Johns Hopkins University Studies, Series XXIV, Nos. 3-4, pp.144-145.

tion to the employees against the natural law of supply and demand in the labor market the effects of the "iron law of wages" can, in some measure, be counteracted. The unemployed may be kept out of the labor market, the labor supply is controlled, and the unemployed member is not forced out of necessity to take, at a lower rate, the job of his fellow-laborer. In 1887 the International president of the Cigar Makers' Union recommended to the seventeenth session of the International Convention, the necessity of an out-of-work benefit as one of the strongest features the Union could adopt and as an important factor in maintaining a fair rate of wages.(1) Also the reasons urged by the Journeymen Bakers and Confectioners' International Union in the fight for continuance of the out-of-work benefit fund at the Cleveland Convention, 1897, were to counteract the so-called "iron law of wages," as an indirect means of enforcing union shop rules, and as an instrument in raising wages and lessening the burden of toil.(2)

The unemployed has one of two courses before him:

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(1) Cigar Makers' Journal, Vol. 13, October, 1887, p.5.
(2)"The Carpenter" Vol. 17, June, 1897, p.

accept a lower wage and thus deprive his fellow laborer of work, or remain idle and be subjected to the evils of starvation. The only remedy is relief while unemployed. Offer him this and the motive which forces him to accept a wage below the standard is removed. Trade union leaders have long held this position. In 1879, Mr. Adolph Strasser, President of the Cigar Makers' Union, said, "A starving man has no conscience. He will accept work at almost any price," in order to provide for his sustenance. Under such conditions "he becomes a tramp, criminal, scab, and traitor to his class."(1) On similar grounds fifteen years later, 1894, the United Brotherhood of Carpenters urged the adoption of an out-of-work benefit. In words of another, they maintained that "the wages of those who continue in employment can only be kept up to a living standard by a strong organization and the payment of an out-of-work benefit. However strong unionism may be, self-preservation is the first law of nature and must be recognized as such."(2)

Another reason advanced in advocacy of out-of-work

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(1) Cigar Makers' Journal, April 10, 1879.
(2) "The Carpenter," August, 1894, p.11.

relief is its power and influence in controlling strikes. The Cigar Makers have held that unless trade unions should adopt out-of-work benefits, the success of future strikes would depend upon the willingness or unwillingness of the unemployed to remain idle and endure the trials of poverty rather than compete with the employed, and thereby be the means of reducing the rate of wages. The primary aim in time of strikes has been to retain the membership both during the strike and after it has been lost. The Cigar Makers' Union has, therefore, supported the out-of-work benefit as a primary factor in resisting the evil influence of an unsuccessful strike.(1)

Finally the main object of out-of-work benefits is to aid in establishing permanent organizations and in guaranteeing the maintenance of trade conditions. The greater the protection offered by any trade union, the more efficiently can it accomplish these ends. The union with the most perfect system of benefits can furnish the greatest protection to its members as well as offer the greatest inducements to the unorganized forces. The laboring man seeks protection. Fear of poverty has made him

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(1) Cigar Makers' Journal, Vol. 10, July, 1885, p.6.

selfish. The fear of being out of employment tomorrow makes it difficult for unions to organize labor, in which organizations all shall be on an equality, unless it can be shown that this equality is superior to the individual's present condition. This fear leads men to take undue advantages of their opportunities. The laboring classes of the industrial world are peculiarly affected by these circumstances. No labor organization can be effectively maintained, therefore, until these conditions be removed, or their influence counteracted. Mr. Gampers, in urging the Cigar Makers' International Union to support the out-of-work benefit proposed in 1888 by local union No.144 of New York City, advocated the out-of-work benefit for this purpose. He supported the benefit as a means of insuring the laboring man against absolute starvation, as an instrument in the hands of the Union in effecting an increase of wages and a reduction in hours of labor, and finally as the most effective source of securing aid for the members during any falling off in labor demand.(1)

The permanent results of trade union activities in the field of out-of-work relief have so far been of a

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(1) Cigar Makers' Journal, Vol. 13, September, 1888, pp. 7-8.

five-fold nature. These are permanent gains toward placing union men more nearly on an equality with the employer, bridging over industrial depressions, assisting in maintaining the unions intact, aiding in standardizing the rate of wages, and increasing the funds of the unions. In the first place, the out-of-work benefit has been instrumental in advancing the unions as factors in collective bargaining. Greater confidence in and respect for unions as trade organizations have been inspired. The employer has been put more on an equality with his employer in that he has been given an additional lever with which to support himself during violent attempts of the employer to destroy union influence.

In the second place, the out-of-work benefit has been an important factor in bridging over disastrous effects of financial and industrial depressions. During the panic of 1893-1897 the Cigar Makers' out-of-work benefit system had scarcely passed the experimental stage, and yet, although the panic was more severe, industrially speaking, than that of 1873-1879, the influences upon progressive unionism proved less detrimental. By the experience of past depressions the position of the

Cigar Makers' Union at large had been strengthened and the individual members of the most thoughtful and industrious class have prepared themselves for the inevitable results of long industrial depressions that have become regular occurrences in American industrial systems.(1) As reports of the out-of-work benefit of English trade unions show that unionism is being promoted by the aid of this benefit; so results in America show that those unions, in which high dues and out-of-work benefits are in force, have not only retained their universal standing, but have actually increased during periods of industrial depressions.(2)

The editor of the Cigar Makers' Journal maintained that the system of out-of-work benefits was responsible to a greater degree for the Union's ability to endure the industrial depression of 1893-1897 than any other one feature of the organization. Through its application the members were supported while out of work, even though, during the most stringent years the out-of-work fund had to be supplemented from the reserve fund of the Union.

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(1) Locomotive Firemen's Magazine, Vol. 21, p. 10 (1896).
(2) Cigar Makers' Journal, Vol. 23, June, 1898, pp. 8-9.

During the panic years the out-of-work expenditures exceeded those for any other one purpose. For 1894-1897 inclusive over $600,000 was disbursed, and for the six years of 1893-1898 inclusive a total of about $800,000, or a yearly average of over $130,000, was expended.[1] The efficiency of the system had been proved, and yet the officials have never considered the funds sufficient for long and continuous periods of depression.

Another important result accomplished, largely through the agency of the out-of-work department, is a more closely united union. The membership is held intact without any permanent diminution. The members are not forced to seek employment in other occupations, nor have they been left to starve, or to tramp through the country without assistance.[2] The employed member is given greater surety of the permanency of his employment at a standard rate of wages, and the unemployed, through the aid of a nominal out-of-work benefit, is kept from the ranks of "scabs." The history of this benefit among the Cigar Makers during

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(1) Cigar Makers' Journal, Vol. 20, September, 1895, p.8; Vol. 23, September, 1898, pp.8-9; V. Table of Benefits, page [illegible] below.
(2) Cigar Makers' Journal, Vol. 18, September, 1893, p.7; Vol. 20, September, 1895, p.8.

the panic of 1893-1897 is conclusive on this point.[1] Although much opposition existed during the first three years of operation because of inability to execute the laws successfully, or because of the abuses to which similar benefits had been subjected, many were forced through dire necessity to support the law during the dullest period of the panic, 1894-1896. In one sense, therefore, the panic may be said to have been the making of the benefit.[2]

No organization has better demonstrated the power of successful out-of-work benefits, in retaining members and adding new strength to the union forces, than the Amalgamated Society of Engineers--one of the first English trade unions to pay out-of-work benefits. During the industrial and financial panics of 1857-1859, 1867-1869, 1877-1879, and 1884-1885, the payments for out-of-work benefits show a large increase and only during 1877-1879 was there any decrease. From this Society the Cigar Makers first received inspiration to launch into this

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(1) Cigar Makers' Journal, Vol. 23, September, 1898, pp. 8-9.

(2) Cigar Makers' Journal, Vol. 21, February, 1896, p.5; Iron Molders' Journal, Vol. 30, January, 1894, p.

field of benefits, and upon its success in payment of out-of-work benefits that of the Cigar Makers has largely depended.[1]

Another important development that has followed the adoption of the out-of-work benefit is the large increase in the benefit funds of the unions. This is especially noticeable in the benefit funds of the Iron Molders during the early history of the out-of-work benefit. The benefit became operative September 1, 1897, and during the following year the sick fund showed a total receipt of $49,979.19, or an excess of $2,869.85 over the receipts of 1897.[2] This is much more significant of the growth of the membership in consideration of the fact that the apportionment of the per capita tax to the sick fund had been reduced, on the adoption of theout-of-work benefit, from eight cents to seven cents. The financier's reports for the last quarter of 1897 and the whole of 1898 show a rapid increase in the benefit fund.[3] The increase in the receipts of the sick fund, says the financier, must be

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(1) Cigar Makers' Journal, Vol. 12, August, 1887, p.8.
(2) Journal, Vol. 35, p. 73 (1899).
(3) Ibid, Vol. 33, p. 73 (1897); Vol. 36, p. 78 (1900).

attributed very largely to the out-of-work benefit in its power of attracting new members and in keeping the membership in good standing. And yet, however much the officials may have accredited the out-of-work feature with these results, it is impossible to differentiate between the force of this feature in this respect and that of the sick benefit put into operation only eighteen months previously. Although during 1896, the first year under the national sick benefit law, and during 1897, three-fourths of which was without the out-of-work benefit. The percentage of increase in membership was only 9.9 and 8.9 respectively, and during 1898 and 1899, the first two years under the out-of-work system, there was an increase of 15 per cent. and 42 per cent. respectively. It is impossible to apportion to each benefit the proportionate share in the increase of benefit funds for these years. In the Cigar Makers' Union there was a similar increase for the years immediately following the introduction of these benefits. During 1881, the first year of disbursements of sick benefits, the membership increased 228 per cent., while in 1891, the first year of the operation of the out-of-work benefit, there was an increase of 40 per

cent.[1] The funds also increased proportionally. In 1880, the year previous to the payment of sick benefits, the Cigar Makers' funds showed a balance of $5,066.22 and in 1881, the first year of payment, there was a balance of $11,151.62; while in 1889, the year previous to the payment of out-of-work benefits, the balance was $239,190.53, and in 1890, the first year of payment of the benefit, it had increased to $285,136.54.[2] The funds of both the Cigar Makers' and the Iron Molders' Unions show evidences of the effect of out-of-work benefits, and yet the differential, due to one benefit as distinct from another, is indeterminable.

The success of any system of benefits depends in a large measure upon substantial systems of raising revenue. In the out-of-work benefit no factor has been of more consequence. At the close of the industrial depression of 1893-1897, the editor of the Cigar Makers' Journal said that no one thing did more to prevent suffering from reduction of wages and loss of members than the existence

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(1) It should be noted, however, that the very large increase in 1881, followed immediately the intorduction of three benefits--sick, death and traveling, and the general reorganization of the Union in 1879.

(2) Cigar Makers' Journal, Vol. 29, No. 7, p.36.

of a substantial system of out-of-work benefits. With this idea firmly fixed the Unions that pay this benefit have succeeded, in a large measure, in adopting satisfactory laws for the accumulation of funds in support of their unemployed members. The revenue for this purpose is accumulated through the general sources adopted by the several unions and the means adopted constitute a part of the general fiscal system. The first method adopted by the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia, under which one general sinking fund for the payment of all benefits is maintained, has proved generally satisfactory in these Unions. Although during 1894-1897 inclusive, when the claims for out-of-work support were heavier than for any other benefit, the officials were convinced that the system was not adequate for greater or more extended industrial disturbances.

The system of one general sinking fund from which all benefits are paid, as maintained by the Cigar Makers and the Typographia, and that of the Iron Molders, in which separate funds exist for each benefit, are the two principal methods of supplying revenue for the support of the unemployed. The Cigar Makers and the Typographia make no

separation of the weekly dues into different funds to meet the several benefits, but on the other hand all claims for out-of-work relief are paid from this general sinking fund as in case of other benefits. In the Iron Molders, however, a separate out-of-work fund is maintained. The local unions set aside eight cents of the weekly dues as a benefit fund for the payment of sick and out-of-work claims. Of this eight cents, 12 1/2 per cent., or one cent per member per week is used for out-of-work purposes.(1) Upon this fund the National Secretary draws to the amount of eighteen cents for every out-of-work stamp furnished the local union. Of this amount the secretary places ten cents in the monthly fund of the National Union and eight cents in the sick benefit relief fund.

The cost of the maintenance of out-of-work benefits is also an important phase of the system. This, however, must be reduced to the per capita amount it costs the organizations to operate the system, and not to the amount each member pays for the amount of out-of-work benefit

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(1) Iron Molders' Constitution, 1902 (Cincinnati, 1902) p.45.

he enjoys. The following table gives the per capita amount paid out each year in out-of-work benefits by the Cigar Makers and the Typographia and the per capita amount drawn by the National Secretary of Iron Molders from the local unions as an offset for out-of-work stamps issued to their members in exemption of national dues.

Table of Cost of Benefits.

Year	Typographia	Cigar Makers.	Iron Molders.
1885	$ 2.00		
1886	1.52		
1887	1.15		
1888	1.16		
1889	5.55		
1890	3.49	$0.92	
1891	4.58	.87	
1892	6.77	.65	
1893	5.67	3.34	
1894	14.33	6.27	
1895	8.66	5.99	
1896	7.00	6.43	
1897	7.83	4.45	
1898	7.82	2.65	$0.064
1899	10.39	1.31	.052
1900	8.33	.70	.12
1901	6.56	.79	.12
1902	7.86	.56	.04
1903	4.86	.39	.04
1904	5.82	.72	.27
1905	5.23	.87	.07
1906	5.22		.04
Yearly Average	5.99	2.40	.09

From the above table a just comparison can be made only of the per capita cost of the out-of-work benefit to the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia, since they alone, of the three unions considered, pay a cash weekly benefit, while the Iron Molders' Union pays the dues of the members while unemployed. For twenty-two years ending with the fiscal year June 30, 1906, the German Printers have paid this benefit at an average annual cost of $5.99 per member, while the Cigar Makers have disbursed, during the fifteen years in which they have paid the benefit, a yearly average of $2.40 per member. However in making this comparison consideration must be had for the difference in the rate per week and the maximum per year. The Deutsch-Amerikanischen Typographia has always paid a greater weekly benefit. From the adoption of the benefit in 1884 to 1888 this union granted $5. per week for a maximum period of twelve weeks. During 1888-1894, inclusive, $6. per week was allowed. For several years following 1894, $5. per week for sixteen weeks, or $80. per year, was granted, while at present $6. per week, or $96. per year, is paid. On the other hand, the Cigar Makers' Union, during 1889-1896, paid $3.

per week and 50 cents for each additional day with a possible maximum of $72. per year, but since 1896 they have limited the maximum allowance to $54. Thus at present the German Printers pay both a greater weekly benefit and a larger maximum yearly amount. In case of the Iron Molders for seven years ending June 30, 1904, the out-of-work members have received as exemption from dues an average of eleven cents per member. During this period this amount has varied from five cents per member in 1899 to thirty cents in 1904, representing the use of 6013 out-of-work stamps in 1899 and 93,680 in 1904.

The increase and the decrease in the per capita cost of this benefit in the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia are significant and mark in a large measure the conditions of trade in the respective unions. In general, in the Typographia there has been a tendency towards an increased per capita cost, while in the Cigar Makers' Union the reverse has been true. This may be attributed, however, in part to the character of the trade and the condition of the membership. The membership of the German Printers is small, of a higher average age, and is gradually decreasing; while that

of the Cigar Makers with a lower average age shows a steady increase. This increase and decrease in the per capita cost, however, has been interrupted and influenced more or less by industrial disturbances. The most important of these is the panic of 1893-1897. During this period the per capita cost of the benefit in the Typographia rose from $3.63 in 1890, to $6.85 in 1892, and to $13.57 in 1894. Since then there has been an alternate rise and fall, but showing a gradual decrease. The per capita cost in the Cigar Makers' Union shows a very sudden increase from 65 cents in 1892 to $3.33 in 1893, to $6.27 in 1894 and to $6.43 in 1896, after which there followed a gradual decrease. The most significant result of these increases is that the unions suffered no very appreciable decline in membership. In fact the editor of the Cigar Makers' Journal has maintained that the out-of-work benefit system did more to hold the membership intact than any other feature of the Union.(1)

A most significant factor in determining the value of out-of-work benefits and in measuring the amount of

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(1) Cigar Makers' Journal, Vol. 23, September, 1898, pp. 8-9.

good accomplished in furnishing relief to the unemployed is the annual payments made by the different unions. However, due allowance must be made for a certain per cent. of illegal or fraudulent claims which may be present in any system despite the strictest administration and the most careful surveillance. The evils of this practice are more widely distributed and consequently appear in their minimum in any one benefit in those unions where all benefits are paid.

Two factors enter in determining the amount a member may receive per year, viz: the rate per week and the number of weeks the member is entitled to a benefit during any year. Since the adoption of this benefit the amount has varied from time to time. Originally--from 1884 to 1888--the Typographia granted its members $5. per week for twelve weeks, or not more than $60. during any one year.(1) During 1888 and 1894 inclusive the rate was $6., but in 1894 it was reduced again to $5. for a period of sixteen weeks. At present the rate is $6. per week, or $96. per year. The Cigar Makers, on the contrary, during

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(1) Constitution 1884--( ): "American Federationist" Vol. 2, No.4, p.61.

1889-1896, allowed $3. per week, to be paid in periods of six weeks for twenty-four weeks, or not more than $72. during any one year, while from 1896 to the present this amount has been for eighteen weeks, or $54. per year.(1) Thus the Typographia has continued to increase the yearly allowance, while the Cigar Makers' Union has decreased this amount. Thie reduction was due to the heavy drain upon the treasury during the industrial depression, and had for its primary object the maintenance of the benefit at such an amount as not to place a premium upon idleness.

In the Iron Molders' Union and the Granite Cutters' Association the unemployed is credited with payment of dues, full dues for thirteen weeks in the former union and half dues during period of unemployment in the latter, representing $3.25 per year for the Iron Molder and fifty cents per month in the Granite Cutters.

Some further analysis of the number receiving out-of-work relief, the relation of the unemployed to the whole membership, and the actual average amount the idle member receives or the amount of dues from which he is exempt

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(1) Cigar Makers' Constitution, 1889, Art. ( ); Constitution, 1896, 13th Edition, p.31 (Chicago n.d.)

because of his unemployment will furnish a more intelligent understanding of the scope of the benefit. Data for a thorough analysis of these points covering the entire periods during which the systems of out-of-work relief have been in operation are inadequate, consequently the extent of this comparison is necessarily limited. The following table contains statistics on two typical unions, the Cigar Makers' and the Iron Molders', showing the status of out-of-work relief during recent years.

Cigar Makers' Union.

Year	Yearly average No. idle.	Percentage of whole membership idle.	No. per 1000 idle.	Amount paid per year in out-of-work benefits.	Cost per member per year.	Average amt. paid per idle member.	Percentage amt. paid per member of the total yearly disbursements.	Maximum allowance per member per year.
1900	503	.014	14.8	$23,897.00	$.70	$47.50	.0019	$54
1901	597	.017	17.5	27,083.76	.79	45.36	.0019	54
1902	367	.009	9.9	21,071.00	.56	57.41	.0027	54
1903	281	.007	7.1	15,558.00	.39	55.36	.0035	54
1904	704	.016	16.9	29,872.50	.71	42.43	.0014	54
1905	730	.018	18	35,168.50	.87	48.17	.0013	54
1906								
Average	530	.012	14	$25,441.79	.67	$49.37	.0021	$54.

Iron Molders' Union.

Year	Yearly average No. idle[1]	Percentage membership idle.	No. per 1000 idle.	No. stamps issued yearly(2)	Amount represented by exemption of dues.	Cost per member per year.	Average amt. of dues exempted per idle member per year.	Percentage of amount exempted per member of total yearly exemption.	Maximal allowance per member per year.
1900	1802	.037	37.4	23436	$5859.00	$0.12	$3.25	.0005	$3.25
1901	2034	.037	37.4	26349	6587.25	.12	3.23	.0004	3.25
1902	799	.012	12.3	10389	2597.25	.04	3.25	.0012	3.25
1903	2005	.024	24.8	26073	6518.25	.04	3.25	.0004	3.25
1904	7129	.085	85.8	92685	23171.25	.27	3.25	.0001	3.25
1905	1916	.021	21.6	24906	6226.50	.07	3.25	.0004	3.25
1906	1283	.013	13.3	16676	4169.00	.04	3.24	.0007	3.25
Average	2424	.032	33.2	31502	$7875.50	.016	3.24	.0006	3.25

The reported number unemployed in the Iron Molders' Union is only approximately correct. Since the local unions

(1) Average number required to be idle for thirteen weeks in order to consume the number of stamps issued.
(2) Approximate number. Furnished the author by R.H. Metcalf, Financial Secretary of the Iron Molders' Union.

report each year the number of stamps issued and not the number of members out of work or the number receiving out-of-work stamps, it is impossible to estimate accurately the number enjoying this benefit. The average number idle, reported in the above table, is calculated on a basis of each member out of employment receiving the full number of out-of-work stamps granted to any member during any one year. On the other hand in the corresponding column under the Cigar Makers is given the actual number reported out of employment during each year.

In a study of these figures on the above basis it is apparent that the Cigar Makers present a better showing in retaining members in employment. For 1900-1905 inclusive the Cigar Makers show an average of 14 per thousand out of employment, while for 1900-1906 the Iron Molders show an average of 33.2 per thousand, or a yearly average of 1% of the total membershipin the former and 3% in the latter. This differentiation in idleness may be attributed primarily to the character of the trade and secondarily to the size of the membership. The Cigar Makers' Union, less aggressive than the Iron Molders', has been contented to retain the already acquired proportion

of the cigar consuming trade and consequently has carried the principle of collective bargaining to a less degree of perfection. While in the Iron Molders' Union competition between employer and employee is much sharper because of the importance of the trade and the greater sphere of activity. And yet the Union, although it has doubled its membership during this period and in this growth has introduced a more or less radical element, has at the same time grown as a factor in collective agreement and consequently able to meet the employer on a more satisfactory and equitable basis. Further it is sure that the yearly percentage of unemployment in the Iron Molders' Union, with the exception of 1904, tends to decrease, while that of the Cigar Makers shows a slight increase.

A further differentiation in favor of the Cigar Makers' Union is seen in the yearly average amount paid the idle member. The Iron Molders have allowed exemption in dues practically up to the maximum amount--$3.24 per idle member as against a possible allowance of $3.25 per member, while the Cigar Makers have paid out an average of $49.37 as against a maximum allowance of $54. per member

per year.

The following table gives the yearly amounts paid by the three leading Unions in out-of-work benefits--cash amounts in case of the Cigar Makers and the Typographia, and the number of stamps used by the Iron Molders in cancelling the dues of idle members, together with the amounts received from the local unions for the stamp issued:

Year	Typographia	Cigar Makers	Iron Molders.	
			No.of Stamps.	Their cash equivalents.
1885	$1,118.90			
1886	1,453.08			
1887	1,240.10			
1888	1,315.13			
1889	6,281.50			
1890	4,315.00	$22,760.50		
1891	6,067.00	21,223.50		
1892	9,359.50	17,460.75		
1893	7,835.00	89,402.75		
1894	17,252.50	174,517.25		
1895	9,464.20	166,377.25		
1896	7,812.00	175,767.25		
1897	8,485.00	117,471.40		
1898	8,603.00	70,197.70	$ 6,439.	$ 1,609.75
1899	11,135.00	38,037.00	6,013.	1,504.25
1900	8,703.00	23,897.00	23,436.	5,859.00
1901	6,716.00	27,083.76	26,349.	6,587.25
1902	7,839.00	21,071.00	10,389.	2,597.25
1903	4,846.00	15,558.00	26,073	6,518.25
1904	5,785.00	29,872.50	92,685.	23,171.25
1905	5,105.00	35,168.50	24,906.	6,226.50
1906	5,086.00	---------	16,676.	4,169.00
Totals	$145,826.91	$1,045,866.11	$212,970.	$58,242.50
Yearly Average	6,638.49	65,304.13	23,663.	6,471.39

During the twenty-one years since nationalization of the benefit system, the Typographia has paid $140,740.91, or a yearly average of $7,037.04.

The Cigar Makers, during 1890-1905, have paid $1,045,866.11, or a yearly average of $65,304.13; the Iron Molders issued during eight years, 1898-1905 inclusive, 212,970 out-of-work stamps--a yearly average of 23,663--representing $53,242.50 of total dues exempted, or an average of $5,915.83 per year. The yearly amounts paid vary with the prosperity of the trade--the greater the scracity of business, the greater the amount of idleness and the amount of benefits disbursed; while in general the annual expenditures for benefits increase with the increase in membership.

Chapter VI.

ADMINISTRATION OF BENEFICIARY FEATURES.

No factor is of more consequence to constant development and permanent stability of the beneficiary systems than administration. Upon the competency or the incompetency of executive officials depends the stability or the instability of the whole system. Consequently both the keenest practical interest has centered upon and the most difficult theoretical problems have arisen out of the administrative departments of labor unions. In these departments centres every effort, successful or unsuccessful, at operating systems of benefits under the absolute control of and entirely subservient to the union man's interests.

Naturally therefore administration is a chief factor in every beneficiary department. In it centres every change in beneficiary laws and in official staff. The great problems that confront the unions involve both legislative and administrative regulations, the latter of which must not only supply the means of executing the laws already in force but must furnish data upon which further legislation can be founded. In the administrative departments the unions

have been brought face to face with many problems that confront every kind of organization that embodies benevolent or insurance features. The trade union is thus compelled to meet these problems as well as insurance companies. Important among these, as suggested by Professor Bemis,[1] that especially confront American trade unions are: (1) the separation of insurance or benefit funds from other funds of the union, and (2) adequate changes in their methods of assessments to meet the certainty of increasing mortality with the increase in age of their members. Already many unions have set aside a portion of their weekly or monthly receipts into benefit fund for exclusive payment of benefits; but these funds are still a part of the funds of the union and are in many cases subject to transfer for other purposes in cases of emergency. Under the laws of the American Commonwealths it has not been considered necessary for a complete separation of the benefit departments from the protective into independent organizations, as the Mutual Life and Accident Insurance Association of the Brotherhood of Locomotive Engineers, so long as the unions are not incorporated.

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(1) Bulletin of the Department of Labor, No.22, May, 1899 (Washington, 1899), p.400.

Those organizations that maintain death or disability, sick, and out-of-work benefits as opposed to those that pay insurance against death and total or permanent disability have done so largely for protective reasons. This class of organizations stand in opposite contrast to the railway unions and the Association of Letter Carriers discussed in a preceding chapter. The latter maintain insurance as a primary function equal in many respects to the protective features, while the body of unions that maintain systems of benefits which provide protection against death, total or permanent disability, sickness, and unemployment are largely protective in origin and purpose, and have, therefore, founded and at present maintain their benevolent features as ancillary to their more important object. Consequently their beneficiary departments do not approach so nearly separate and independent divisions of the unions, nor are the lines of demarcation between the protective and the benevolent functions as clearly defined as in the organizations of railway employees and of letter carriers.

The history of the development of the former class of unions shows few tendencies to depart from these lines. Only in case of the Iron Molders' Union has there been a

significant attempt to depart from the purely protective idea, supported and protected by benevolent systems, to the wider field of insurance. This was the character of the early Iron Molder's Beneficial Association, formed as a separate institution to furnish a voluntary death and disability benefit to any journeyman molder in good standing in any local union under the jurisdiction of the national organization.(1) This Association was under the management of the president and the secretary of the National Union and three trustees elected by the national convention. However owing to the fact that it was a voluntary organization and administratively independent of the National Union, and also since the Union, in opposition to the Association created a sinking fund for the payment of a death benefit in which all members of the national body were required to share,(2) the Association was soon abolished.

Again, at present the Glass Bottle Blowers' Association maintains a beneficiary department in which all members of the Association must participate. This is not a

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(1) Iron Molders' Journal Vol. March, 1871.
(2) Iron Molder's Constitution 1876 (Cincinnati, 1876), Art. 17.

separate and independent department, governed by partially different officers as in case of the Iron Molder's Beneficial Association, or by wholly different as in case of the Mutual Accident and Life Insurance Association of the Brotherhood of Locomotive Engineers, but it is better termed a department of the National Association under complete control and jurisdiction of the National Body.(1) This system of the Glass Bottle Blowers is, at present, the only partial attempt, among the trade unions paying one or more benefits, to segregate the benevolent features from the protective either for partial or total administration. On the contrary the almost universal system of one set of national officers is generally conceded the simpler and the most economical wherever the protective and the benevolent features are so nearly at one with each other.

A study of American unions that maintain systems of insurance or benefits shows four distinct systems of administration. These are represented by the group of unions that pay insurance, by the Cigar Makers' Union, by the Iron Molders' Union, and by the Glass Bottle Blowers'As-

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(1) Constitution 1904. (Camden N.J., 1904). pp. 39-40.

sociation. Among the unions that maintain insurance departments, the funds are separate from the general funds of the organization and are held exclusively for the payment of death and disability claims. In the Cigar Makers' Union there is one general sinking fund, consisting of the funds of the subordinate unions. These funds are held by the subordinate unions for the payment of national benefits and for incidental expenses of the national offices. In this type of unions there is a system of equalization of funds by which any union that may pay benefits in excess of its pro rata amount shall be reimbursed for the amount so expended. Among the class of unions of which the Iron Molders' Union is typical, a certain per capita amount of the weekly or monthly tax is set aside for benefit purposes, and this is supplemented by transfers from other funds or by special assessments as occasion may demand. The method followed by the Iron Molders' Union is representative, in which the apportionment of funds sufficient to pay death and disability claims is transferred to the International Treasurer, while that for sick and out-of-work benefits is held by the local unions. On the other hand in the Glass Bottle Blowers' Association the beneficiary department is supported by assessments levied

by the General Secretary of the Association.

The group of unions that pay insurance, the type represented by the Cigar Makers, and the Glass Bottle Blowers provide for designation of beneficiary or beneficiaries as claimants for the benefits on the death of the member. The designation is made at the time of joining the union or when an insurance certificate is issued. In those unions that issue insurance certificates the designation is embodied in the certificate and is a part of the contract between the member and his organization; while in those that pay a benefit, in which case no written contract is issued, the member files with the general secretary of his national union a certificate of designation which is held by the secretary as a guide in payment of the claim. Changes in the beneficiary may be made from time to time according to fixed regulations of the unions.

The administration of the insurance systems and the beneficiary departments is, in all cases, except two, carried on by the same set of officers who manage the general affairs of the union. With the exception of the trial beneficial association scheme in the early history of the Iron Molders' Union there has been no departure from this rule. The Brotherhood of Locomotive Engineers and the

National Association of Letter Carriers each maintain a mutual benefit department administered by separate officers. The official staff of the Engineers' Insurance Association consists of a president, a vice-president, a secretary-treasurer, and five trustees; while that of the Letter Carriers consists of the President of the National Association, as ex-officio president of the Benefit Association, a board of trustee, a chief collector, and a depositary. In the other organization the insurance business, or the conduct of the benefit departments is managed by the national officials of the protective organization. Among the railway unions these officials are grand master or grand chief, grand secretary-treasurer, and a board of trustees or an insurance committee; while among the large class of unions that pay the so-called benefits the national officials are for the most part,- president, secretary treasurer, - or the secretary-treasurer combined into one officer -, and a general executive board or a board of trustees. The general secretary, or the secretary-treasurer as it may be, is the most important officer in charge of the conduct of the beneficiary departments. In the Letter Carriers' Benefit Association the chief collector is the principal official, corresponding to the general

secretary-treasurer in other unions.

In general the officials that control the beneficiary features are the president and general secretary-treasurer. The president is the chief official and in the larger unions has become a power in controlling union men. In the Cigar Makers' Union the president performs the duties of both the president and general secretary, while in the Journeymen Tailors these duties devolve upon the general secretary. In other unions the duties of the president are not so extensive, but much of the responsibility is shared by the general secretary-treasurer.

The secretary-treasurer, therefore, in many unions is equal in prominence with the president and in the majority of the unions bears the greater burden in financial matters. He is custodian of all official documents, both those of a national character and those concerning the relations of the national organization and the subordinate unions. In the Typographical Union, the Brotherhood of Painters, the United Association of Plumbers, the Boot & Shoe Workers' Union, the Tobacco Workers' Union, the Brotherhood of Leather Workers on Horse Goods, and the Barbers' International Union the burden of detailed work is done by the general secretary-treasurer, while the of-

fice of president is largely advisory or ex-officio.[1] In the Iron Molders' Union, the Brotherhood of Carpenters, the Wood Workers' Union, the Glass Bottle Blowers' Association, the United Garment Workers' Union, and the Granite Cutters' Union, these duties are divided between the general secretary and the general treasurer. The secretary-treasurer in the railway Brotherhoods, as the Trainmen and the Firemen, and the chief collector in the Letter Carriers' Benefit Association, is the most important administrative official in the insurance departments. Though subordinate to the president in absolute authority in executing the laws of the union or in their interpretation this official's position is, for the most part, considered a more responsible one, and because of the responsibility he is generally required to furnish surety bond from some bonding company proportionate to the amount of funds in his possession or comparable to the risks to which the funds of the organization are subject. The following table contains a list of the principal unions at present paying benefits and the national officers with the amount of bond required.

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(1) Typographical Union, Const'n 1904, (Indianapolis,n.d.), p. 26. Plumbers' Const'n 1904, (Chicago,n.d.), p. 19-21. Painters' Const'n 1904, (LaFayette, n.d.), secs. 230-241. Boot & Shoe Workers' Const'n 1904, Boston, n.d.), sec. 7. Tobacco Workers' Const'n 1900, (Louisville, n.d.), pp. 10-15. Workers on Horse Goods Const'n 1904, (Kansas City, n.d.), p. 7. Barbers' Const'n 1905, (Indianapolis, n.d.), pp. 13-14.

Name of Union	Amount of Bond of National Officials. Pres't of Grand Master	Secty-Treas.	Secty.	Treas.	Financier	Trustees (each)
Barbers			$20000	$25000		
Boot & Shoe Wk'rs		$10000				
Bro. of Carpenters			20000	50000		
Cigar Makers (a)						
Coal Hoisting E.	$2000	5000				
Glass B'tl Blowers (b)						
Am. Glass Workers		2000				
Goring Weavers (c)						
Granite Cutters		10000				
Hotel & Restaurant Employees		30000				
Iron Molders	10000		5000	25000	$10000	$4000
Iron, Steel & Tin Workers	5000	25000				5000
Leather Workers on Horse Goods	1000	(d)	2000	7000		
Letter Carriers		(e)				
Lithographers		3000				
Locomotive Engrs.	25000	25000				
Locomotive Frm'n	25000	100000				
Machinists		10000				
M-of-W.Employees	10000	10000				
Metal Polishers		5000				
Painters		30000				
Pattern Makers (f)						
Plumbers		5000				
Pressmen		10000				
Ry.Conductors (g)						
Railroad Trainmen	25000	75000				
Retail Clerks		10000				
Stove Mounters		2500				
Switchmen		35000				
Tailors			20000	25000		
Telegraphers	10000	(h)				
Tobacco Workers (a)						
Typographical Union		20000				
Typographia (a)						
Wood Workers (i)						
Wood Wire & Metal Lathers		5000				

(a) None required.
(b) General Secretary must furnish bond satisfactory to National Convention.
(c) General Secty., satisfactory to Executive Board.
(d) General Secty-Treas. gives bond in a sum not less than 25% of the highest amount of cash in his hands at any one time.
(e) Chief Collector gives bond satisfactory to Board of Trustees.
(f) Treasurer gives bond satisfactory to Executive Board.
(g) Secty-Treas. satisfactory to Board of Trustees.
(h) Secty-Treas. satisfactory to Board of Directors.
(i) General Secty. and General Treas., satisfactory to General Council.

This table shows that the majority of the unions require bond from their general secretary-treasurer, or the general secretary and the general treasurer, where the two are separate officials, and that only a few unions bond any other of their national officers; and furthermore only eight unions out of the thirty-six listed require bonds from their national presidents. The reasons for this general practice are not far to seek. The Secretary is the officer to whom the funds of the organization are intrusted and who is directly responsible for their safe keeping. Surety bond has proved the most effective means available for reimbursing the unions in case of embezzlements or defalcations. This is true notwithstanding the fact that many unions require their general secretary-treasurer to deposit all moneys above a certain amount in some safe deposit bank. For example the Iron Molders' Union provides that at no time shall the general treasurer retain in his possession a sum greater than $15000;[1] the Brotherhood of Painters specifies that should the funds in the hands of the general secretary-treasurer at any time exceed the amount of his bond, the general executive board shall immediately have his bond increased to an amount sufficient to protect the funds of the Brotherhood;[2] the Association of Journeymen Plumbers requires

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(1) Constitution 1902. (Cincinnati, n.d.), p. 16.
(2) Constitution 1906. (Indianapolis, n.d.), sec. 240.

the secretary-treasurer to deposit all money over $250;[1] while the Boot and Shoe Workers provide that the general secretary-treasurer shall deposit all moneys as directed by the general executive board.[2] In general the unions have attempted to prevent an accumulation of union funds in the hands of the secretary-treasurer to an amount greater than his official bond.

With few exceptions these organizations have not required their chief executive to furnish bond. The railway brotherhoods, except the Conductors and the Switchmen, require bond from their grand masters and four of the remaining unions bond their presidents. In the Iron Molders' Union the bond of the president is required not as president of the Union but as trustee of the out-of-work relief fund; while in case of the Leather Workers on Horse Goods, Coal Hoisting Engineers and the Amalgamated Iron, Steel and Tin Workers, the bond is for faithful performance of general duties of president and not especially for protection of the funds of the unions.[3]

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(1) Constitution 1904. (Chicago, n.d.), p. 22.
(2) Constitution 1904, sec. 7. (Boston 1904).
(3) Iron Molders' Constitution, 1902 (Cincinnati 1902), p. 45. Leather Workers on Horse Goods Constitution, 1904 (Kansas City, n.d.), p. 6.
Coal Hoisting Engineers' Constitution, 1902. (Danville, n.d.), p. 6.
Iron, Steel and Tin Workers' Constitution, 1903. (Pittsburg, n.d.), p. 9.

These rules prevail among these unions despite the fact that the president has, in some cases, equal power with the secretary-treasurer in drawing union funds from the banks.(1) In the Iron Molders' Union the National President has authority also to receive from the treasurer funds to the amount of $15000, which he is required to invest in the name of the trustees.(2)

Some of these unions, as the Cigar Makers, the Deutsch-Amerikanischen Typographia, and the Tobacco Workers require no bond from their chief officials. The explanation of this undoubtedly lies in the system of equalization of union funds that is maintained under their organizations. According to this the national officials receive none of the funds except so much as is necessary for the incidental expenses of the national offices and for this reason, say Mr. Strasser, bonding of national officers has been considered unwise, unnecessary, and a useless expense. So far the Cigar Makers' Union and the Deutsch-Amerikanischen Typographia have relied upon the honesty and the in-

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(1) Typographical Union Const'n 1904(Indianapolis, n.d.), p. 25. Leather Workers on Horse Goods Const'n 1904 p.6 (Kansas City,n.d.) Iron Molders' Const'n 1902, (Cincinnati, 1902), p. 16.
(2) Iron Molders' Const'n 1902, (Cinn. 1902), p. 12.

tegrity of their local officers, the system of auditing the books of local unions, a series of reports to the International Union, and the constant supervision of traveling international officials, for the maintenance of sound and satisfactory administration of the benefit funds. On January 1, 1901, the Tobacco Workers abolished a system similar to that of the Cigar Makers and adopted the form used by the majority of unions,- of placing the benefit funds in the hands of the national secretary-treasurer. Under this system the Union requires bonds from the local financial secretaries and treasurers, but none from any of the national officials.

The amount of the bond is intended to be sufficiently large to reimburse the union in case of misappropriations or embezzlements by the officers. The bonding system of no union better illustrates the meaning and intent of the bond than that of the Iron Molders. The largest bonded officers are the president at $10000, the financier at $10000, and the treasurer at $25000. This arrangement is designed to include the officers into whose hands the bulk of the funds accumulates and upon whom its security depends. The president and the financier are bonded as trustees of the out-of-work relief fund, while the treas-

urer is in charge of the general fund of the Union.(1) On the other hand the general secretary and the trustees with whom smaller amounts are in keeping at any one time are under proportionally smaller bonds. Another important differentiation is seen in the Brotherhood of Locomotive Firemen and the Brotherhood of Railroad Trainmen in which the grand master of the former is bonded at $25000 and its secretary-treasurer at $10000, while in the latter it is fixed at $25000 and $75000 respectively. Also in those unions where the secretary and the treasurer are separate officials, the general treasurer is more heavily bonded, the disparity increasing with the size of the union. In the Iron Molders the ratio is 1 to 3, in the Carpenters 1 to 2 1/2, and in the Barbers and the Tailors 1 to 1 1/4. Further a large majority of the unions combine the offices of secretary and treasury into one, the secretary-treasurer, who is the principal bonded officer. In this class of unions the president is seldom bonded, and in case he is the bond is considerably lighter.

The causes of these differentiations can be attributed to no one law or set of laws. Each union must be studied in itself. However, the principal factor, present in all,

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(1) Iron Molders' Constitution, 1902, p.12. (Indianapolis, 1902).

is the responsibility resting upon this official. In some unions he has almost absolute jurisdiction of the administration of the benefit and sole control of its finances, subject only to appeal to and review by the general executive committee and the national convention of the union. Here the functions of this officer are the sole determining causes in this differentiation of the amount of the bond. Generally the official duties of such an officer are to preserve all important documents and papers concerning the business relations of the union, to conduct all correspondence between the national union and the subordinate unions, to keep financial accounts between the several subordinate unions and the national union, and to pay all claims against the national union. Thus in securing itself against abuse of this authority each organization has a different conception of its measure, and hence the amount of the bonds varies with the adequateness or inadequateness of this conception.

Certain unions do not prescribe definite amounts as the required bond for their officials. On the contrary, they authorize the general executive committee or board to exact satisfactory bond, or prescribe that it shall be a certain percent. in excess of the highest amount in the officers' hands at any one time. The principal unions that give more or less discretionary power to their executive boards in fixing the bonds of various officers are the

Railway Conductors, the Telegraphers, the Wood Workers, the Pattern Makers, the Brotherhood of Leather Workers on Horse Goods, and the Elastic Goring Weavers' Association; while in the Glass Bottle Blowers' Association, the National Convention fixes the amount of the general treasurer's bond.(1)

In addition to bonding national officials many unions require bonds of the financial secretaries and the treasurers of the subordinate unions. This extension of protection to national funds has been necessary since many subordinate unions hold in trust all funds from which national sick and out-of-work benefits are paid. The Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen, Brotherhood of Railroad Trainmen, Order of Railroad Telegraphers, Switchmen's Union, Maintenance-of-Way Employees, Brotherhood of Carpenters, Wood Workers, and others provide that officials of subordinate unions who have charge of funds of the union shall furnish such bond as the national union or the subordinate union may require.(2) In some organizations these bonds are held

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(1) Conductors' Constitution, 1903, Cedar Rapids, n.d.p.18.
Telegraphers' " 1903, St.Louis, n.d., p.26.
Wood Workers' Constitution, 1904. (Chicago, n.d.-, sec.29.
Pattern Makers Constitution, 1906. (New York,n.d.),p.11
Workers on Horse Goods Constitution,1904 (Kansas City, n.d.), pp. 6 and 8.
Goring Weavers Constitution, 1900. (Springfield,1900) p. 8.
Glass Bottle Blowers Constitution,1906. (St. Louis, 1906)., p. 12.

(2) Engineers' Constitution, 1904. (Cleveland,1904),p.24-25.

by the national secretary, in others by the trustees of the subordinate unions.

Besides requiring of national and local officials surety bonds for faithful performance of duties, most unions embody in their constitutions other deterrent provisions against defalcations and misappropriations of union funds. The Cigar Makers, the Iron Molders, and the Painters provide that all defaulters shall be expelled and shall not enjoy the benefits of the union until their defalcations have been replaced and they have been reinstated by the subordinate union and the reinstatement approved by the general executive board.(1) On the other hand the Carpenters and the Tobacco Workers are more rigid in their punishment. The Carpenters provide that any embezzler of funds of the Brotherhood or of any union shall be expelled and forever debarred from membership in the union.(2) While the Tobacco Workers declare that "defaulters and embezzlers must be prosecuted criminally"

Firemen's Constitution, 1905. (Indianapolis,n.d.), Sec. 154.
Trainmen's Const'n,1903. (Cleveland, 1903), p.76-77.
Telegraphers' Const'n, 1903. (St.Louis,n.d.), p. 69.
Switchmen's Const'n, 1903. (Buffalo, n.d.), p. 35.
M-of-W.Employees' Const'n,1903. (St.Louis, n.d.),p.24.
Carpenters' Const'n, 1905. (Milwaukee,n.d.), Secs. 153-155.
Wood Workers' Const'n, 1904. (Chicago,n.d.),Sec.113.
(1) Cigar Makers' Const'n, 1896,14th ed. (Chicago, n.d.), Sec. 193.
Iron Molders' Const'n, 1906. (Lafayette,n.d.), sec. 140-142.
(2) Carpenters' Const'n, 1905. (Milwaukee, n.d.), sec.163.

for all visible frauds, as false entries of money on the records of the Union or any appropriation of funds for private use.[1]

Despite these precautionary measures taken by different organizations, many misappropriations have occurred from time to time. Breaches of official honesty and integrity have arisen in both national and local offices. The principal unions to suffer from misconduct of national officials are the Brotherhood of Locomotive Engineers, Brotherhood of Railroad Trainmen, the Switchmen's Union, the Typographical Union, the Iron Molders' Union, the Machinists' Association, and the Journeymen Stone Cutters' Association. In the early seventies, the grand secretary-treasurer of the Engineers' Association appropriated insurance funds, as a result of which the membership declined one-half--from 3500 to 1700.[2] On February 10th, 1885, the secretary-treasurer of the Trainmen was expelled for dishonesty and misappropriations of union funds.[3] In 1887, the secretary-treasurer of the Switchmen's Union defaulted, leaving a deficit of $9,000, and before recovery from this another defaulted to the amount of $32,527.49 And again under the present organization, a third secretary-treasurer was deposed by the grand board of directors,

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(1) Tobacco Workers' Constitution, 1900, 3rd ed., 1905. (Louisville, n.d.), Sec. 79.
(2) Engineers' Journal, Vol. 18, pp. 4, 11.
(3)

because of misappropriations to the amount of $2689.50.[1] The Engineers and the Trainmen, in consequence of their greater numbers and through efforts of special friends, were able to withstand the contingencies that accompany such mismanagements; but the Switchmen were unable to withstand repeated defalcations at short intervals during their early history, and consequently after that of May, 1894, the Union was forced to suspend until 1897. The International Typographical Union, however, stands first with the longest list of dishonest national officials. During the first forty years of its existence four presidents, one vice-president, and one general secretary were expelled, and three general secretaries defaulted.[2] Of these one president and three secretaries were defaulters--the president an official of a Philadelphia local union and the secretaries officers of the International Union. The defalcations of the secretary-treasurers occurred in 1858, 1874 and 1887 respectively. The amount of funds misused or stolen was not large in either case— _____ in case of Secretary-Treasurer Whitcomb in 1858; $3731.56 in case of Secty-Treas. Collins in 1874, and $2239.88 in case of Secty-Treas. Pascoe in 1887--and

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(1) Switchmen, Jour. Vol. 2, p. 247; Vol. 7, p. 400; Proceedings of Sixth Annual Session (Milwaukee, n.d.) p. 63.

(2) McVicar. Historical Sketch of the International Typographical Union."

yet in each case the International President reported the misconduct an act of "flagrant abuse of trust and duty." The union at large and the state courts were reluctant to impose the penalty demanded by the Union's constitution. However, the International Union expelled Whitcomb, but the proceedings of the national convention record his name among "the honored death roll."(1) Secretary Collins was expelled by a small majority,(2) and although the courts on some technicality failed to convict Pascoe on the charges preferred, the Union finally succeeded in expelling him.(3)

The principal case of embezzlement of funds in the Iron Molders' Union occurred in 1878. This was during the experimental stage of the Union when it was struggling for permanency of organization and when irregularities of any kind could least be afforded. At that time, however, irregularities developed in President Saffin's accounts and after investigation by a committee appointed July, 1878, the report, made to the special session of the National Union, February, 1879, showed a deficit of $3570 in the President's accounts. The findings of this committee showed that President Saffin had misappropriated

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(1) Proceedings of Seventh Annual Convention, p.20, May 1858 (New York, 1858).
(2) Proceedings of 22nd Annual Convention, p. 76, June, 1874 (Chicago, 1874).
(3) Proceedings of 36th Annual Convention, pp.88-95, 170-171 (Chicago, 1888).

union funds, for which he was summarily removed from office.[1] More recent defalcations occurred in the Association of Machinists, in the Brotherhood of Carpenters, and in the Stone Cutters' Association. In 1893 General Treasurer Lamb of the Machinists deserted with $5300 of the Association's money.[2] The defalcation of General Secretary-Treasurer M'Guire of the Carpenters is still more recent, and has attracted wider attention because of Mr. M'Guire's long connection with the Brotherhood both as its founder, financial agent, and supporter for the first twenty years of its existence. In 1901 Mr. M'Guire defaulted in the sum of $10,074.94.[3] On July 24, 1901, President Huber removed him from office, but the Brotherhood refused to make the suspension permanent. After a wearisome discussion the Brotherhood by compromise agreed to accept $2000 in full payment of the deficit. The twelfth annual convention released him from payment of this sum and practically exhonorated him.[4] Secretary-Treasurer Wood of the Stone Cutters' Association, during his incumbency from January 1890 to August, 1891, showed a shortage of $2127.10.[5]

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(1) Iron Molders' Jour., Vol. 15, April, 1879, June, 1879, p. 6, July, 1879, p. 15; Proceedings special session, Feb., 1879. (In Jour., May 10, '79).
(2) Machinists' Proceeds. 5th Annual Convention, p. 89, (Richmond, '93).
(3) "The Carpenter" Vol. 22, Feby., 1902, Report of Prest. Huber.
(4) "The Carpenter" Vol. 22, May, 1902, Report of Pres. Huber.
(5) Stone Cutters' Jour., Vol. 4, No. 6, p. 12.

In addition to defalcations among national officials, many more have occurred and are constantly occurring among local unions. In the early history of trade unionism in America stealing union funds hindered very greatly the growth of some organizations. At present, however, the protection thrown around the funds of subordinate unions has done much to prevent or to check this practice. And yet, in spite of these precautions, recent years show many shortages among officials of local unions. In 1903 a local Stone Cutters' Union of New York City convicted am ex-treasurer of stealing $12,000 of the union's money;(1) and recent reports of nationals officials of the Stone Cutters' Union show a continuance of this practice. The Financier of the Iron Molders' National Union reported for the first three months of 1904 many shortages among the subordinate bodies of the Iron Molders' Union. Many of these abuses, he showed, were due to carelessness of local unions in auditing the books of their treasurers.(2) Also the General Secretary-Treasurer of the Brotherhood of Painters at the convention of 1904 reported over $10000 stolen by defaulting local officials during the two years previous. He showed that the subordinate unions have refused to place their treasurers under bond, as

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(1) "Advance Advocate" Vol. p.553. (St.Louis, 1903).
(2) Iron Molders' Jour., Vol. 4, p. 339.

required by the constitution of the Brotherhood, and consequently not a month passes without some local secretary or treasurer defrauding his union.(1)

These defalcations among both national and subordinate officers demonstrate conclusively the inability of the unions to operate their fiscal systems without loss. While all the misconduct is not committed by subordinate officials, it may be said that the failure to punish adequately, and therefore with the greatest deterrent effect, lies in the unwillingness of the subordinate member to submit to and to aid in enforcing to the utmost the regulations of the national union. The individual member must be taught to eliminate both personal interests and sentiment from all cases requiring a just application of union rules. The vote of the National Convention of the International Typographical Union on the expulsion of Secretary Collins, in which twenty-eight votes out of sixty-four were cast against expulsion--and against the judgment and formal action of the national officers--and the refusal of the subordinate unions of Painters to place their treasurers under surety bonds as required by their national constitution show that no fiscal system in which many subordinate officials necessarily share can be successfully operated from national headquarters alone, but that the individual members of the subordinate bodies

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(1) Painters' Journal, Vol. 18, p.14.

must be trained and educated to strict performance of all official duties. Both national and local officials must be at one on all points involving the best interests of the organization at large.

Another important factor in administration of trade union benefits is systems of laws providing for funds for the maintenance of these benefits. No feature of the various systems of benefits deserves more careful consideration. Infact this factor forms the pivot around which all other phases of administration centre and upon which the failure or the success of the whole fiscal system depends; and yet there can not be said to be any one general system common to all the unions. However, there must necessarily be some common ground or basis upon which every successful system rests. This common basis is the weekly or monthly tax, or stated assessments. Upon the collection of a specific amount, weekly or monthly, or at certain fixed periods, from every member of the union, the trade union benevolent departments have rested their success or failure.

Although American unions show some similarity in the source and origin of revenue for benevolent purposes, there are very characteristic differences in the systems in operation. In the first place a large majority of

unions collect their funds in weekly or monthly dues, either under a system of "low dues," or one of "high dues." On the other hand a smaller number of unions raise their funds by a system of stated assessments, collected monthly or quarterly, or as claims for insurance or benefits fall due. In the first class are the majority of unions that pay some one of the "benefits" as defined above and are operating under what are ordinarily termed systems of "low dues" or "high dues." The "low dues" system was the original form under which all unions began payment of benefits, and the system still maintained by the majority of unions of this first group. The "high dues" system--to be discussed in a later section--is considered a distinct mark of advance in trade unionism and is regarded by many experienced trade union men as the form that all unions of the most modern and progressive type will eventually adopt.

The principal unions that have made sufficient progress to warrant their departure from an original custom and have placed their fiscal systems abreast with the most modern type of trade union policies by adopting "high dues" are the Iron Molders' Union, the Deutsch-Amerikan-

ischen Typographia, the Cigar Makers' Union, the Boot & Shoe Workers' Union, the United Association of Journeymen Plumbers, the Pattern Makers' League, the Granite Cutters' Association, and the United Brotherhood of Leather Workers on Horse Goods. On the contrary many prominent unions still retain systems of "low dues," the principal of which are the United Brotherhood of Carpenters, the International Typographical Union, the Glass Bottle Blowers' Association, the Amalgamated Wood Workers' International Union, the International Association of Machinists and the Tobacco Workers' Union.

Likewise the second group of unions named above--those raising the funds by stated assessments--fall into two principal classes. First those that collect monthly or quarterly stated assessments, which vary with the amount of insurance carried, and secondly those unions that collect a fixed assessment as each claim for insurance or death benefit is filed. The former class includes the railway brotherhoods, with exception of the Engineers, and the Letter Carriers' Association, who because of their insurance feature raise their revenue, not by dues, technically so-called, but by stated assessments. In the

second group of unions, where assessments are levied for each claim presented, are the Benefit Association of the Locomotive Engineers, the Glass Bottle Blowers' Association and the Elastic Goring Weavers' Amalgamated Association. In these unions a uniform assessment is levied upon all members, as the needs of the fund may demand. This method, though it has proved very successful with the Engineers, is little used among American trade unions.

Closely associated with the system of dues are the division of the funds and their application to the several benefits. In operation these show decided variation from a uniform rule. In general there are four distinct types in use. The railway organizations and the Letter Carriers maintain separate and independent funds for the insurance departments. These are distinct from the general funds of the unions and are supported by regular and specific assessments. In the second place the Iron Molders, the Typographical Union, the Boot & Shoe Workers, the Painters, the Pattern Makers, the Barbers, the Tobacco Workers, the Hotel & Restaurant Employees and Bartenders and the Stove Mounters apportion the general receipts among the several funds of the union according to fixed ratios.

There is a third class that maintain one general sinking fund from which all national benefits are paid. This fund consists of all funds of the local unions, over and above certain amounts proportionate to the membership which the local unions hold for incidental purposes. These funds are deposited in banks selected by the national organization, or are invested in United States bonds, and are subject to the order of local unions for the payment of benefit claims or to reimburse those unions that have expended for benefit purposes in excess of their pro rata amount. The principal unions of this class are the Cigar Makers' International Union, the Deutsch-Amerikanischen Typographia, the United Association of Journeymen Plumber, and the Piano & Organ Workers. Lastly there is a fourth class of unions that collect a fixed per capita tax from the subordinate unions for every member in good standing, which sum constitutes one general fund in the hands of the general secretary-treasurer for the general management of the national union and for the payment of all benefit claims. The principal unions of this class are the United Brotherhood of Carpenters, the Journeymen Tailors' Union, and the Amalgamated Wood Workers' Union.

Each of these systems has its characteristics and owes its success to the fact that only by long and repeated attempts were satisfactory methods evolved, or that the particular system is best suited to the laborers the several unions represent. And when the success of the four unions, the Brotherhood of Trainmen, the Iron Molders, the Cigar Makers and the Brotherhood of Carpenters, representatives of the four systems respectively, is considered, there are abundant reasons why each has its enthusiastic followers. The most complete and systematic of these, in so far as the apportionment of the per capita tax to the several funds is concerned, are those of the Iron Molders and the Boot & Shoe Workers. The Iron Molders collect, through their local unions, from every member twenty-five cents per week. This amount is applied as follows: Ten cents per week per member is transferred to the International Treasurer, of which 16% is placed to the credit of the death and total disability fund, 26% to the monthly fund and 58% to the strike fund; eight cents per week per member is held by the local unions as a credit to the benefit fund out of which are paid sick and out-of-work benefits; and the remainder, seven cents per

member, is held by the local unions as a fund for local expenditures.[1] Only those portions of the fund applied to death and total disability, sick, and out-of-work benefits are of special interest in this study. Of the ten cents placed in the hands of the International Treasurer sixteen per cent, or one and six tenths cents per week per member of the entire membership, forms the fund from which all death and disability benefits are paid. Out of the eight cents held by the subordinate unions seven cents goes to the sick fund and one cent to the out-of-work fund for the payment of these benefits.

The system of the Boot & Shoe Workers' Union is similar to, though not so complete as that of the Iron Moulders. This Union also collects twenty-five cents per member per week, which is supplemented by initiation fees, national fines, and assessments. Of the sum thus collected two-thirds constitutes the general fund of the Union and the remaining one-third plus the receipts from local assessments and fines constitutes the local funds. The general funds are apportioned as follows: One-third is placed in the sick and death benefit fund, which is maintained at an

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(1) Iron Moulders' Constitution 1902. (Cincinnati, n.d.) p. 20.

amount equal to $1 for each member entitled to benefits; one third is placed in the strike fund, which is maintained at $60000; and the remaining one-third is put to credit of the general expense fund of the Union.(1) Similarly, the other unions of this group apportion a certain per cent of the general receipts to the sick and death fund, but do not segregate the funds allowed for each benefit as in the Iron Moulders' Union. The Typographical Union sets aside seven and a half cents per member per month as a burial fund, the Pattern Makers twenty per cent of the seventy-five cents per capita tax, or fifteen cents per month, as a sick and death benefit fund, the Painters forty per cent of the general receipts as a death and disability fund, and the Tobacco Workers one third of all receipts as a general fund, of which one-third goes to the sick and death fund.(2)

The system of the third group of unions has as its originator and advocate Mr. Adolph Strasser, Ex-President of the Cigar Makers' Union. Through Mr. Strasser's, efforts this system has been thoroughly worked out among the Cigar Makers' and with this union as their prototype the unions of this group have maintained one general sinking fund.

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(1) Boot & Shoe Workers' Const'n 1904. (Boston, 1904) p.25
(2) Typographical Union, Const'n 1904. (Indianapolis, 1904) p. 9.
Pattern Makers' Const'n 1906. (New York, n.d.) p. 15.
Painters' Const'n 1906. (LaFayette, 1904), p. 40
Tobacco Workers' Const'n 1900. 3rd ed.(Louisville, n.d) sec. 34

Naturally the Typographia adopted the essential features of the Cigar Makers' Union, since Mr. Strasser drafted its first constitution. But the other unions of the third group emulated the Cigar Makers as a matter of choice between their system and that maintained by the second group. Groups second and third represent the two most practical systems for trade unions. The Iron Moulders had proved the success of the former and the Cigar Makers of the latter. The essential distinction of the two types lies in their systems of government. In group two we have a more highly centralized form of administration. The group of which the Cigar Makers' Union is a type have intrusted a greater degree of administrative authority to local officials, however the functions they are thus empowered to perform are definitely prescribed and precisely defined by the national union. The two groups include the majority of trade unions that pay benefits and of the two the former--that represented by the Iron Moulders--is more generally accepted by American unions. The fourth group, of which the Brotherhood of Carpenters is typical, is very similar to group two. In the national unions administration is largely centred in national officials. The principal distinction, however, is that the second group divides the general funds into separate funds for the several benefits, while the fourth

maintains one fund for all benefits.

The apportionment of the general funds to the several funds as it now stands is the product of many years of experience among the unions. The differences in the ratio allotted to the various funds can be explained or justified only on the basis of the experience of the unions themselves. In each case the ratio has been fixed at what the experience of the unions and the judgment of their officials demanded. Despite this demand and the desire of the national officials to keep their organizations on a solvent basis there have always been occasions for supplementing these funds in cases of emergency. The principal methods already adopted and constantly put into operation are: (1) transfers from one fund to another, (2) the system of drawing upon the funds of local unions by the national officials to replace deficiencies in the general fund, and (3) the system of special assessments. Two unions, the Iron Molders' Union and the Typographical Union, specify that their executive board or council shall have power to transfer funds from one department to another whenever occasion demands.(1) Among others there is an implied power. The Iron Molders furnish a concrete

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(1) Iron Molders' Const'n 1902, p.20 (Cincinnati, n.d.); Typographical Unions Const'n 1904, p.10 (Indianapolis, 1904).

example of the operation of the law. At Indianapolis, 1899, the Executive Board transferred $10,000 from the surplus in the out-of-work fund to other funds; $3,000. to the strike fund, $5,000. to the expense fund, and $2,000. to the monthly fund.(1) Also the Typographical Union, 1897 and 1902 inclusive, transferred $24,174.64 from the burial fund to the general fund.(2) Although the Brotherhood of Carpenters does not make this provision for transfer it has found it necessary to borrow from different funds in order to meet claims on the benefit fund. In 1896 the Executive Board borrowed $7,000. from the protective fund and $12,000. from the organization fund with which to pay benefit claims.(3) Finally the system of equalization of funds, maintained by the Cigar Makers, the Typographia, the Journeymen Plumbers, and the Piano & Organ Workers is one general method of distributing benefit funds among local unions so as to supplement a treasury exhausted through excessive demands.

In the second place those unions that authorize their

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(1) Proceedings of 22nd Session, Toronto, 1902, p.646 (Supplement to Iron Molders' Journal, September, 1902, Cincinnati).
(2) Proceedings of 46th Session, Milwaukee, 1900, pp.51, 99 (Supp. to Typographical Journal, September, 15, 1900, Indianapolis).
(3) "The Carpenter," Vol. 16 (Oct., 1896).

national officials to draw upon the funds of the local unions are the Brotherhood of Carpenters, the Brotherhood of Painters, and the Amalgamated Wood Workers. The Painters and the Wood Workers have identical regulations which provide that, in case a deficiency is likely to arise in the general fund, the general executive board shall have authority to draw from the funds of each local union a sum not to exceed ten cents per member; while the Carpenters limit this sum to an amount sufficient to provide against a deficiency.(1) In the last place certain unions empower their general executive boards, or general officers to levy special assessments as often as they may deem necessary to replenish any or all of their funds. Unions of this class are the Boot & Shoe Workers, the Barbers, the Lithographers, and the Machinists. Of this list the Journeymen Barbers require the board first to submit the advisability of a levy to referendum for approval.(2)

The system of equalization, already mentioned as operating in the Cigar Makers' International Union, the

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(1) Painters' Const'n 1904 (LaFayette, n.d.); sec. 309. Wood Workers' Const'n 1904 (Chicago, n.d.)sec.58. Carpenters' Const'n 1904 (Milwaukee, 1905) sec. 58.

(2) Boot & Shoe Workers' Const'n 1904 (Boston 1904) sec.92 Barbers' Const'n 1902 (Cleveland, n.d.) sec.23. Lithographers' Constitution 1904,(Philadelphia, 1904) p.31 Machinists' Const'n 1903 (Washington, n.d.) p. 17.

Deutsch-Amerikanischen Typographia, the United Association of Journeymen Plumbers, and the Piano & Organ Workers, deserves some explanation at this point. This principle, operative as a means of supplying deficiencies in the benefit funds, is applicable where the benefits, though under supervision of the national order, are paid subordinate unions to members within their respective jurisdictions. In this case the local unions are custodians of all benefit funds. In case these funds are reduced below a certain per capita amount, the general secretary-treasurer or the general executive board, directs such unions as may have expended less than their pro rata amount for benefits, as provided by their constitutions, to pay to those unions that may have expended in excess thereof such amount as the unions under the equalization laws are entitled to. Under this system the national organizations maintain one fund, known as the "sinking fund", consisting of the funds of the local unions, equal in amount to a certain sum per member. Whenever this sinking fund falls below the specified sum, the general secretary-treasurer, or the executive board, levies an equal assessment upon each member of the organization in order to replace the deficiency.

The lack of uniformity in the laws providing systems for raising revenue and the application of these laws to

the different benefits are characteristics of trade organizations. Diversity of trades has developed diversity of interests and the variety of interests has demanded various methods of providing for and of protecting these interests. The most comprehensive, systematic, and scientific systems have been established by the largest and most successful organizations. The character of the trade, organized under skilled officials, has been an important factor in shaping these laws. The results, however, can not be ascribed to any one factor, but must be shared by many united in one common cause.

As above mentioned the majority of unions are on a "low dues" basis, and yet it is generally conceded that these unions have failed in a large measure to perfect their systems of dues. Only those unions that have placed themselves upon a "high dues" basis can be said to have attained the most perfect state of unionism. Because of their importance, therefore, it is necessary to make some study of the systems of "high dues" as a factor in administration. Successful management of trade union benefits depends largely upon sound systems of dues through which funds for their benevolent departments are supplied. To guarantee these funds no trade union man will deny that a

system of high dues is superior to any other.[1] In fact the most progressive union men have not been contented to allow their unions to struggle along under low dues. Almost every year fights are made on the floor of the national convention of some union for adoption of high dues. However today some of the strongest unions are forced to retain the original system, and are compelled to acknowledge many disadvantages to which their organizations have been subjected in consequence thereof. On the other hand those unions whose beneficiary systems have met with greatest success, are the unions that have long maintained systems of high dues. In fact some of the unions that now stand foremost in trade advancements are those whose development had practically ceased and whose beneficiary features were most unsatisfactory at the time of adoption of high dues. No one feature of trade unionism has been more productive of permanent results both in strengthening the unions from a protective point of view and in establishing satisfactory systems of benefits. To such an extent is this recognized among union men that

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(1) Unions that pay a weekly per capita tax of 25 cents and over are considered as paying "high dues."

many unions who have so far failed to found such systems have frequently urged them as the only satisfactory method of obtaining funds sufficient to maintain the necessary trade union benefits.(1)

The introduction of systems of high dues came as necessity demanded. The history of the older unions, as the Iron Molders, the Typographia, the Cigar Makers and the Typographical Union, shows that it was impossible to maintain successfully systems of death, sick and out-of-work benefits without high dues. On January 1, 1880, one year after the adoption of a uniform $100. death benefit in the Iron Molders' Union twenty claims remained unpaid because of a lack of funds.(2) The repeated necessity of extra assessments in the Deutsch-Amerikanischen Typographia during 1892-1894 inclusive forced the union to make successive raises in the beneficiary dues in order to meet the demands on the funds.(3) Also the Typographical Union soon found that the per capita tax of 15 cents, of which 33 1/3 per cent. went to the burial fund, was insufficient to meet the demands of the Union. President Prescott, there-

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(1) Barbers' Jour., Vol. 11, P.243.
(2) Iron Molders' Jour., Vol. 16 (March, 1880, p.15, June, 1880).
(3) Miller, 25 jahrige Geschichte der Deutsch-Amerikanischen Typographia, pp.23, 35, 46.

fore, at the close of the first year under this system said, "disaster will surely attend our efforts to secure to each man a decent interment, if we attempt the payment of benefits on the [present] apportionment to this fund."(1) And yet, although the dues have been increased from time to time, the Union is still under a system of low dues and its benefits remain second to those of the first rate unions. Again the decline in membership of the Boot & Shoe Workers' Union from 14,000 to 4,000 during 1896-7 under a system of low dues of ten cents per week, and then rapid increase to 19,000 within two years after adopting high dues(2) show conclusively the necessity and importance of high dues. The importance to which the Brotherhood of Carpenters attached to high dues is manifested by Mr. M'Guire's activity in their adoption several years before the Brotherhood succeeded in inaugurating them.(3)

Introduction of high dues in American trade unions has been a development consequent upon the growth of the

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(1) Porceedings, 40th Ses., pp.15-16 (Indianapolis, 1892).
(2) Boot & Shoe Workers' Proceedings of ___ Convention (1896), pp.42-48; Proceedings 1899, p. ; Jour., Vol. 1, June, 1900, p.7.
(3) Carpenters' Proceedings of Seventh General Convention (Philadelphia, 1892), p.__.

individual union. No specific period can be named in advance as adequate time for working out the processes of inauguration or for demonstrating to the trade as a body the success of such a system. Naturally the period required has been longest in the oldest unions who were dependent solely upon their own experiences and necessities and who had to prove practically the wisdom of the system. In 1879 the Cigar Makers' Union took the initiative and demonstrated to trade union men the importance of high dues and their effects upon trade organizations and their systems of benefits. However, many years elapsed before some of the prominent unions followed the example of the Cigar Makers. The Typographia about 1892, the Carpenters in 1892, the Iron Molders in 1895, the Pattern Makers in 1898, the Boot & Shoe Workers in 1899, and the Leather Workers on Horse Goods are the principal unions that have introduced high dues. Each of these organizations postponed inaugurating a system as long as possible, and yet they had not failed to recognize important results accruing to the Cigar Makers. The periods of adoption, owing to industrial and monetary conditions, were not wholly favorable. Some unions inaugurated high dues at the be-

ginning, others in the midst, and still others at the close of the great financial and industrial crisis of 1893-1897. Consequently it is impossible to determine the influence of industrial disturbances toward checking trade union development and that of "high dues" systems in advancing it.

The history of trade union development shows that there has always been a need of an increase of beneficiary funds proportionally to the increase in membership. During the period of fluctuating benefits and in the transition from fluctuating amount to fixed sums the benefit funds did not increase proportionately with the membership and consequently with the total amount of benefits paid. In the Cigar Makers' Union, for example, although a system of moderately high dues existed at that time, as early as 1896 the funds showed a less proportionate increase than the membership, and only by aid of transient members was the Union able to meet its benefit claims.(1) Also in the Iron Molders' Union, during the period from January 1, 1880, to July 1, 1886, benefit funds increased less rapidly than the membership. The Union, therefore, was com-

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(1) Cigar Makers' Journal, Vol.21, February, 1896, p.5.

pelled to increase the apportionment to the sinking fund from twenty-five per cent. of the national tax to thirty per cent. in January, 1880, to thirty-five per cent in July, 1882, and to forty per cent. in 1886.[1] Similarly in the Typographical Union the original apportionment of the per capita tax to the burial fund was insufficient to pay the benefit.[2] Conditions of this kind made it compulsory upon the unions to provide means for an increase in their benefit funds, whenever conditions demanded, and in this way finally reached a "high dues" basis.

The effects of high dues were immediate. General Secretary-Treasurer M'Guire, in urging their adoption before the National Convention of the Brotherhood of Carpenters, said that "a good and profitable organization cannot be without them." This idea bore out the fact that had long been advocated by the Cigar Makers, that "unions with high dues and a well regulated system of benefits" are the unions that give the best protection to their members.[3] The principal results of adoption of high dues are (1) permanent increases in membership and in the dif-

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(1) Iron Molders' Journal, June, 1880, and August, 1880; Const'n, adopted 1882 (Cincinnati, 1882), Art. 17; Const'n, 1886 (Cincinnati, 1886), Art. 17.
(2) Typographical Union, Proceedings of Fortieth Annual Session (Indianapolis, 1892), pp.15, 16.
(3) Cigar Makers' Journal, January, 1880, p.8.

ferent funds of the unions, and (2) the establishment of benefit systems on more permanent bases.

In the first place permanent results in increased membership and benefit funds were seen in each organization after an increase in dues. Union officials do not hesitate to attribute much of this to the presence of strong systems of benefits supported by high dues.(1) The Boot & Shoe Workers' Union shows most interesting facts. The first and most immediate result was a large decrease in membership. But recovery from this decline was equally noticeable and thereafter the development was rapid and permanent. Two years from date of adoption, the Union had grown from 4,000 to 19,000 members and from an exhausted treasury to a surplus of $35,000.(2) The report of the general secretary-treasurer, March 18, 1900, showed that under the new system of high dues the administration of sick and death benefits was satisfactory, that all demands were promptly met, and that strength and stability had been given the Union.(3) Also the report of Secretary-Treasurer M'Guire of the Carpenters for the term July 1, 1892, to July 1, 1894, although the Brotherhood had lost

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(1) "The Mixer and Server," Vol. 14, No.8, pp.7-8 (1905).
(2) Plumbers' Jour., Vol. 4, No.3, p.9 (December, 1901).
(3) "The Union Boot & Shoe Worker," Vol. 2, April,1901,No.6.

20,000 members, showed that the system of high dues inaugurated July 1, 1892, was a wise act, and that the treasury, in spite of the loss in membership, contained a surplus of $5,275.54 (1) Similarly the immediate result of adoption of higher dues by the Typographical Union was an increase in the surplus of the benefit fund. In 1892 the monthly apportionment to the benefit fund was increased from five cents to seven and a half cents per member. The first twelve months under the five cents apportionment had showed a deficit of $4,285.75, but the first six months under the increase wiped out this deficit and showed a balance of $1,814.96. (2) Though during the period, 1891-1900, there was a high death rate, the burial fund has continued to increase and in 1900 there was a surplus of $24,174.64. (3)

But in the second place a more important result, surpassing all others in permanency of organization, is placing the beneficiary departments upon sound and more permanent foundations. The officials have been supplied

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(1) "The Carpenter" Vol. 13, Sept., 1894.
(2) Typographical Union, Proceedings of 40th Session (Indianapolis, 1892), pp.13, 32.
(3) _____, Proceedings of 46th Session, pp. 51, 99 (Supp. to Jour., September 15, 1900).

with sufficient funds and they have finally succeeded in showing the members of their craft definite results from their efforts and to what extent they are dependent upon increased dues. To such leaders high dues is the logical system of trade union revenue. This policy is not only being carried out by many of the largest and most successful trade organizations, but is gradually being adopted by many whose progress has for many years been retarded by insufficient revenue. So great have been results from this source that every national union that has fairly tried high dues has shown a readiness and a willingness to adopt even higher dues. Editor Frye of the Iron Molders' Journal urged the Boot & Shoe Workers' Union not to stop with twenty-five cents dues, as did the Iron Molders, but to raise them to fifty cents.(1) Similar views were expressed by Presidents Jos. F. Valentine of the Iron Molders, G. W. Perkins of the Cigar Makers, and Daniel J. Keefe of the Longshoremen, and Secretaries John B. Lennon of the Tailors and James Duncan of the Granite Cutters over the advance taken by the convention of 1905 of the Hotel and Restaurant Employees' Alliance in the adoption

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(1) Boot & Shoe Workers' Proceedings of Sixth Convention, p.79 (1904).

of additional benefits and of an increase of dues.[1] Also the National Cotton Mule Spinners' Convention recently recommended to the next convention that weekly dues in no district be less than fifty cents.[2] And still more recently at the Pittsburg convention, August, 1905, the Pattern Makers increased the weekly dues from twenty-five cents to fifty cents with a corresponding increase in death and sick benefits.[3] Advancements of this nature are some evidences of the unions' realization of the importance of a sound system of benefits in a strong and influential trade union and that the most efficient benefits can be maintained only under a system of high dues.

In the midst of advancements certain obstacles have manifested themselves. In the first place many officials of subordinate unions who opposed introduction of high dues have resorted to corruption in their efforts to defeat the scheme. This was true to considerable extent in the Brotherhood of Carpenters. The introduction of high dues in this union in 1892, on the beginning of the financial and industrial panic, placed the system entirely at

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(1) "The Mixer and Server," Vol. 14, No.6 (1905).
(2) Boot & Shoe Workers' Journal, Vol. 5, Nov., 1904, p.28.
(3) Piano & Organ Workers' Journal, Vol. 7, No.10, p.12

the mercy of the local unions. Under the system in operation the local official necessarily had the power of endorsing all claims coming within their jurisdiction. Consequently there developed among the subordinate unions of the Brotherhood a reckless indifference in administration either through a willingness to endorse illegal claims or in their efforts to shift the responsibility of disapproving doubtful claims.(1) Therefore at the close of the year, ending July 1, 1893, the general secretary's report showed an increase in the number of rejected claims. This practice, however, continued but for a short while, and for the period from July 1, 1894, to July 1, 1896, the number of rejected claims was considerably reduced.(2)

Accompanying this temporary corruption, there was a second discouraging result. There was a tendency among local unions to allow their charters to lapse. This was felt considerably among the Carpenters during 1892-1894, the testing period of the "high dues" system. At that time two disturbing causes, the introduction of high dues and the financial and industrial crisis, existed and were

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(1) "The Carpenter," Vol. 14, September, 1894.
(2) Ib. Vol. 13, August, 1893; Vol. 16, October, 1896.

largely responsible for many disastrous results. In every decline of trade union activity many elements enter as determining factors, of whose separate influence it is impossible to judge. However under the combined influence of the various causes during these years forty per cent. of the local unions surrendered their charters, the larger part of which, says the general secretary, was due to influence of dull times, failure of building enterprises, and decline of trade generally.(1)

Protection of funds is another important factor in administration of the beneficiary laws in American trade unions. This is purely a business proposition and requires the same sound and systematic principles of financiering that must be applied in every business undertaking. The principal reasons for protection of benefit funds are for safe keeping and investment, to prevent invasion for other purposes than those prescribed in the constitutions, to avoid exhaustion from excessive demands during epidemics or panics,and to provide against embezzlements and other practices of malfeasance among local and national offi-

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(1) "The Carpenter," Vol. 14, Sept., 1894.

cials. The methods of protection are as varied as the causes themselves. Each organization has adopted those means most convenient and at the same time best suited to successful execution by it as a labor organization.

First of all, funds for present or future use must be sufficiently protected to secure them and at the same time to place them at immediate disposal of administrative officials. The methods most commonly employed for this purpose are depositing in local banks or safe deposit companies and investment in United States bonds. The Iron Molders' Union requires the trustees to deposit all moneys in a bank of deposit in their own name and in the name of the President of the Union, subject to withdrawal by their joint signatures only under the seal of the Union.(1) The executive council of the Typographical Union must secure all funds of the Union in excess of $2,000. by depositing in a safe deposit company, or by investing in United States bonds. This transaction is done in the name of the executive council as trustees of the Union.(2) The Brotherhood of Carpenters, the Boot & Shoe Workers, and

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(1) Iron Molders' Constitution, 1902 (Cincinnati, n.d.), p. 17.
(2) Typographical Union's Const'n, 1904 (Indianapolis, 1904), p.37.

the Journeymen Plumbers require their general treasurer, general secretary-treasurer, and general secretary respectively to deposit all funds in such banks as the general executive boards may designate.(1) While in the Amalgamated Wood Workers' Union this responsibility is intrusted to the general secretary and the general treasurer. The deposit is made in the joint names of these two officers and of the Union.(2) In general these or similar methods of securing funds as soon as collected have for many years been maintained by the oldest unions and are at present in general use among trade unions.

A second method of protecting union funds--and this applies particularly to those unions that separate the general fund into two or more--is the prohibition of any transfer from one fund to another or the use of one fund for any purpose other than that specified in the constitutions of the unions. This is used largely to protect a particular fund against invasion for the purpose of supplying a deficiency in some other fund. The Boot & Shoe

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(1) Carpenters' Const'n, 1904 (Milwaukee, n.d.), p.9; Boot & Shoe Workers' Const'n, 1904 (Lynn, 1904), p.c; Plumbers' Const'n, 1904 (Chicago, n.d.), p.22.

(2) Wood Workers' Const'n, 1904 (Chicago, n.d.), p.15.

Workers provide that the "sick and death benefit fund shall not be drawn upon for any purpose except for payment of sick and death benefits," the Painters say "no money received for a specific purpose shall be otherwise used," and the Tobacco Workers specify that "none of the funds shall be transferable one to another."(1) Also the grand lodges of the railway unions for the most part and the beneficiary department of the Letter Carriers have adopted this method. The Trainmen and the Switchmen provide that the beneficiary fund shall be used exclusively in payment of death and disability claims.(2) The Telegraphers provide that no part of the mortuary fund shall be paid out, loaned, or diverted to any purpose except the payment of approved death claims.(3) The Firemen pay out of their beneficiary fund "all expenses for the proper conducting of the beneficiary department."(4) The position of the Conductors on this point is not so explicit. The Order, however, holds in reserve a fund of $300,000, from which the grand officers may draw in case the assessments levied

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(1) Boot & Shoe Workers' Const'n, 1904 (Lynn, 1904), p.25; Painters' Const'n, 1906 (LaFayette, n.d.), p.39; Tobacco Workers' Const'n, 1900 (Louisville, n.d.), 3rd ed., 1905, p.18.
(2) Trainmen's Const'n, 1903 (Cleveland, 1903), sec.58; Switchmen's Const'n, 1903 (Buffalo,n.d.), sec.57.
(3) Telegraphers' Const'n, 1903 (St.Louis,n.d.),Art.23,p.109
(4) Firemen's Const'n,amended 1902 (Peoria,n.d.),secs.52,54.

for beneficiary purposes are insufficient to pay all legal claims and in case the surplus in the beneficiary fund is not sufficient to cover the deficit.[1] The Engineers and the Maintenance-of-Way Employees have no specific regulations covering this question, but the implication is that similar protection is furnished their funds. The Letter Carriers provide that the beneficiary fund shall be used exclusively for paying death benefits.[2]

Again trade unions are compelled to protect their funds against exhaustion due to demands in times of epidemics, or financial and industrial crises. Under conditions of this kind the particular fund on verge of exhaustion must receive immediate attention. The methods employed to relieve this and the means adopted to avert a repetition of a similar occurrence depend upon the financial system of the union and the efficiency of administration in applying the particular remedy. The most important means employed are transfer of funds from one department of the union to another, drawing upon the funds

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(1) Conductors' Const'n, 1903 (Cedar Rapids, n.d.), p.86.
(2) Letter Carriers' Const'n, 1904 (Washington, 1904, p. 51.

of local unions, equalization of funds among local unions, and levying of special assessments.

The importance of the first is shown by its frequent use among some of the largest and most influential unions. It is resorted to, however, in cases of emergency only, or where the integrity of the organization is at stake. Among the principal unions that have employed this method are the Iron Molders' Union, the International Typographical Union, and the United Brotherhood of Carpenters and Joiners.[1] The Iron Molders applied this regulation in 1899 at the Indianapolis Convention, when the National Convention transferred $10,000 from the out-of-work fund to other funds of the Union;[2] the Carpenters in 1896 by borrowing $19,000 from other funds for support of the benefit fund;[3] the Typographical Union during 1897-1902 by transfer of

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(1) The system of equalization among the Cigar Markers, Typographia, the Journeymen Plumbers, etc., obviates a remedy of this kind.
(2) Iron Molders' Proceedings of 22nd. Session, 1902, p. 646. (Supplement to Iron Molders' Journal, Sept., 1902. Cincinnati).
(3) "The Carpenter" Vol. 16, October, 1896.

$24174.64 from the burial fund to the general fund.[1] The necessity of a greater or a less amount to meet the claims of one benefit at one time against those at another has been well illustrated by the Cigar Makers. For many years administration of death benefits was unsatisfactory and as late as 1900 there were some demands for a revision of the benefit laws.[2] In 1901 there was an increase of $40,000 in death benefits over 1900. The amount per member paid in death claims in 1890 was $1.03 in 1901 it was $3.67. The total amount in 1901 was $138,456, while the income to the death fund was $1 per member, or $34,000. This deficit of $104,456 had to be drawn from other sources During 1899-1902 the Union paid $400,000 less in out-of-work benefits than during 1896-1898 and yet this surplus was paid out in death claims.[3] With these facts it is argued that transfers of funds is a necessity. Especially is this true in case of the Carpenters, when in the midst

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(1) Typographical Union, Proceedings of 46th. Session, pp. 51, 99. (Supplement to The Typographical Journal, Sept. 15, 1900. Indianapolis)
(2) Cigar Makers' Journal Vol. 25, February 1900 p.5.
(3) Ib. Vol. 27, August 1902 pp.4-5.

of the crisis of 1893-1897 the benefit fund required $19,000. in addition to its regular appropriations. On the other hand in the Iron Molders' and the Typographical Unions the benefit funds are able to supplement other funds.

The practice of drawing upon the funds of local unions to supply deficits in national funds has assumed two phases. In the first place the national executive boards have power to draw upon the local unions for such sums as are necessary to provide against a deficiency in the general fund due to increased claims or any other cause, and secondly the system of equalization in which funds are transferred from local treasuries that have paid less than their pro rata amounts in benefits to those that have paid in excess. The principal unions in which the first form operates are the United Brotherhood of Carpenters, the Brotherhood of Painters, the Amalgamated Wood Workers, and the United Metal Workers. The Brotherhood of Carpenters authorizes its general executive board, whenever an increase in death rate is likely to produce a deficiency in the general fund, to draw from the funds of

the local unions an amount sufficient to prevent the deficiency.[1] The Brotherhood of Painters, the Wood Workers, and the Metal Workers empower their general executive board or general council to draw from the funds of each local union a sum not to exceed ten cents for each member in good standing.[2] In each case the authority is to be exercised in times of emergency and by the highest officials of the organization, subject, however, to approval of the national conventions. The second phase of this principle is seen in those unions that maintain systems of equalization. Here the funds of the local unions constitute one general sinking fund from which all benefits are paid. Accordingly each subordinate union is given authority to pay from its funds all beneficiary claims presented by members within its jurisdiction. Hence to prevent an exhaustion of funds in some while there is a surplus in others systems of equalization are used in the Cigar Makers' Union, the Deutsch-Amerikan-

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(1) Carpenters' Constitution, 1904 (Milwaukee, n.d.), sec. 58.

(2) Painters' Const'n, 1904 (LaFayette, n.d.), p.58; Wood Workers' Constitution, 1904 (Chicago, n.d.), p.23; Metal Workers' Constitution, 1903 (Joliet, n.d.), p.16.

ischen Typographie, the Journeymen Plumbers, and the Piano & Organ Workers.

The original preventive and the one more commonly used among American unions against exhaustion of benefit funds is that of special assessments. This system developed pari passu with the organizations and arose from the original practice of making a levy only as the payment of a benefit necessitated. The history of this system has demonstrated both its good and evil effects. No other one feature of fiscal administration has been brought more successfully into operation in times of emergency, and at the same time been instrumental in originating and devising other permanent sources of revenue. And although it has been supplanted very largely by more modern and more economic methods it is still retained by many unions as a last resort. The principal unions that make provision for special levies are the Boot & Shoe Workers, the Bakery & Confectionery Workers, the Barbers, the Carpenters, the Iron Molders, the Granite Cutters, the Amalgamated Iron, Steel & Tin Workers, the Lithographers, the Machinists, the Oil & Gas Well Workers, the Painters, the Plumbers, the Tailors, the Tobacco

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Workers and the Wood Workers.

In general two chief results have developed from this original system of assessments. In the first place more systematic sources of revenue have been defined and secondly more substantial organizations have been established. The assessment plan was the original source of revenue. Its operation has shown, in general, that no organization has succeeded definitely in founding a system under which an organized craft can assure its members that assessments, sufficient to unionize their trade and to maintain a sound system of benefits, will be limited to a fixed number each year. For this reason every union that has maintained a system of benefits on the assessment plan has been compelled to provide for special levies in cases of emergency. The majority of laboring men are afraid of provisions of this kind. They desire more defi-

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(1) Boot & Shoe Workers Constitution, 1904 (Lynn, 1904), p.33; Bakers' Constitution, 1903 (Cleveland,n.d.),p.53; Barbers' Constitution, 1905 (Indianapolis, n.d.),sec. 23; Carpenters' Constitution, 1905 (Milwaukee, n.d.), p. 13; Iron Molders' Constitution, 1902 (Cincinnati, 1902), p.23; Granite Cutters' Constitution, 1905 (Quincy, n.d.), p. 10; I.S.& T. Workers' Constitution, 1903 (Pittsburgh, n.d.), p.20; Lithographers' Constitution, 1904 (Philadelphia, n.d.), p. 31; Machinists' Constitution, 1903 (Washington, n.d.), p.17; O.& G. Well Workers' Constitution, 1902 (n.p.n.d.), p.19; Plumbers' Constitution, 1904 (Chicago, n.d.), sec. 244; Painters' Constitution, 1906 (Lafayette, n.d.), sec. 251;
(continued on next page)

niteness in their union regulations as to the amount of their yearly dues. The principle, therefore, has been instrumental in forcing the progressive union to adopt means by which a surplus fund might be accumulated. The failure of the Cigar Makers' Endowment plan, adopted at Detroit, September, 1873, forcibly demonstrated this fact. Also the history of the Iron Molders' Beneficial Association shows that the trade union man does not approve of too frequent assessments.(1) Both of these unions were forced to devise systems of weekly dues under which union funds accumulated rapidly, more permanent benefits accured, and the dissatisfied members became loyal unionists.

In the second place more substantial organizations have been founded. In these two principles the first is the cause, the second the effect of every successful scheme of financing systems of trade union benefits. The failure of the general assessment plan supplemented by authority of levying special assessments has prepared the way for systems of high dues and from that to accumula-

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(note continued) Tailors' Constitution, 1904 (Bloomington, n.d.), p.12; Tobacco Workers' Constitution, 1900,3rd ed.,1905 (Louisville, n.d.), sec. 95; Wood Workers' Constitution, 1905 (C hicago, n.d.), p.23.

(1) Iron Molders' Journal, March, 1873; May, 1877, p.347.

tions of surplus funds sufficient to place each benefit upon a sound basis. These constitute the successive stages in the evolution of the fiscal policies of all the older unions. Those of later organization have taken advantage of the experience of their predecessors and have based their first benefit laws upon some definite system of dues.

Systems of special assessments, however, have not been productive of all good. In the first place special assessments have been instrumental in demoralizing union forces and have hastened the break-down of their systems of benefits. The Iron Molders' Beneficial Association was disorganized because of a serious decline in membership and an increase in assessments, and though the assessments, for the year, were less in amount than the members paid later under a system of dues, dissatisfaction was sufficient to work injury to the organization. In this case, however, failure was an indirect good since it enabled the Union to unite upon a uniform benefit in which all members shared. A second evil result is the system has no power in unifying trade interests, but on the contrary tends to disorganize the members and to encourage

corruption. The indifferent member is encouraged to depend more or less upon the more loyal member to uphold the arm of the union. The principle of collecting funds before benefits are due is equally as effective among trade unions as elsewhere. Forfeitures are common. The reckless and indifferent member conceives only temporary benefits and consequently deserts his organization in the hour of special assessment. The national unions have encouraged this practice more or less in the provision that a member after reinstatement from forfeiture or expulsion may be allowed benefits, after six months' or one year's continuous good standing, equal in amount to the more loyal member of ten, fifteen, or twenty years' standing. Such a practice of placing a premium upon forfeitures proved a grave difficulty in the development of the Iron Molders' benefit system.(1)

In the face of these evil tendencies special assessments have occupied and are at present occupying important places in administration of trade union benefits. Nothing is more significant of their practical ends than this fact. In the list of unions mentioned above (page 400)

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(1) Iron Molders' Journal, Vol. 17 (October 31st, 1881).

it is still the prerogative of their general executive boards to order special assessments in cases of necessity; and even in those unions where no such provision exists the power of such a levy lies in the national conventions. The executive boards as a rule are composed of the best talent to be had among union men. Their actions are subject to investigation and review by their national conventions. They are checked in their course by their court and this in turn by the power of referendum. Under such conditions the special ssesssment plan is maintained in its most practical form.

Another factor largely instrumental in protecting the funds of these organizations is the system of bonding all officials directly in charge of funds. In many unions this responsibility extends both to national and to local officials, and hence each class of officers is separately bonded. For further discussion of this subject see section above.

The third principal factor in administration of benefit funds is the systems of collecting and disbursing. Experiences of the oldest unions have shown the necessity of systematic methods of collecting and disbursing bene-

fits to their members. Consequently each organization, under guidance of its most skilled members, has developed a system of collecting benefit funds and of distributing them as in its judgment best serves the end in view, the improvement of the conditions of employment for its members. The evolution of satisfactory methods has shown a tendency towards some uniformity, and while there are wide differences in detail, generally speaking the whole body of trade unions shows two methods of procedure in receiving and disbursing benefit funds. In the first place some national unions empower their national officers to receive all funds direct from the individual member, or from the local union a per capita amount on its qualified membership, and in turn to disburse to those entitled to benefits. Secondly other national unions authorize their local bodies to collect the stated dues and to pay all authentic claims against the several benefit funds.

The method of collecting dues and assessments covers two principal steps: payment of dues by the individual member to his local union and transfer of funds from the local treasury to the national union. However in some unions only one of these is necessary. In the first place an important body of unions requires each member to forward

his dues directly to the national union and thus the local union as an intermediary is not in evidence. This group includes the Order of Railway Conductors, the Order of Railroad Telegraphers, the Maintenance-of-Way Employees.(1) In the second place other organizations require the subordinate unions to receive all dues, hold them in trust as union funds, and to disburse to beneficiaries the amounts due on all approved claims. In this class there is no transfer of funds to national treasuries. This group includes principally those unions that maintain systems of equalization, in which all funds remain in the hands of local officials except such amounts as the national officers may draw for incidental expenses of national headquarters. The unions of this class are: the Cigar Makers' International Union, the Deutsch-Amerikanischen Typographia, the United Association of Journeymen Plumbers, and the Piano & Organ Workers' International Union. Those unions in which both steps are involved in collecting benefit funds form the largest body of unions that pay benefits.

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(1) Conductors' Constitution, 1903 (Cedar Rapids, n.d.), p. 83; Telegraphers' Constitution, 1903 (St. Louis, n.d.), p.109; M-of-W. Employees' Constitution, 1903 (St. Louis, n.d.), p.13.

This group includes the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen, the Brotherhood of Railroad Trainmen , the Switchmen's Union, Boot & Shoe Workers' Union, the Association of Letter Carriers, the Iron Molders' Union, Granite Cutters' Association, the Brotherhood of Carpenters, the Typographical Union, the Brotherhood of Painters, the Pattern Makers' League, and the Wood-Workers' Union, the Tobacco Workers' Union, the Journeymen Tailors' Union, Hotel and Restaurant Employees' International Alliance and Bartenders' International League of America.(1)

The time of payment of dues is regulated by the national organizations. Each organization defines with

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(1) Engineers' Constitution, 1904 (Cleveland, 1904), p.86; Firemen's Constitution, 1903 (Peoria, n.d.), p. 29; Trainmen's Constitution, 1905 (Cleveland, 1905),p.31; Switchmen's Constitution, 1903 (Buffalo, n.d.), secs. 57, 213; Boot & Shoe Workers' Constitution, 1906 (Boston, 1906), p.28; Letter Carriers' Constitution, 1904 (Washington, 1904), p. 58; Iron Molders' Constitution, 1902 (Cincinnati, 1902), p.20; Granite Cutters' Constitution, 1905 (Quincy, n.d.),pp.6, 60; Carpenters' Constitution, 1905 (Milwaukee, n.d.), pp.12-13; Typographical Union's Constitution (Indianapolis, 1904), p. 9; Painters' Constitution, 1906 (Lafayette, n.d.), p.39; Pattern Makers' Constitution, 1906 (New York, n.d.), p. 36; Wood-Workers' Constitution, 1905 (Chicago, n.d.), secs. 50,54; Tobacco Workers' Constitution, 1905, 3rd ed. (Louisville, n.d.), sec. 32; Hotal & Restaurant Employees' Constitution, 1905 (Cincinnati, n.d.), p.10.

great precision the manner of payment whether it is made direct to the national office or through the subordinate union. In those unions that raise revenue by means of regular per capita taxes payment is made weekly or monthly--generally those unions that maintain high dues remit each week, while those under low dues system pay monthly. On the other hand in unions where assessments are levied as each claim falls due the members are required to pay the assessment within a certain number of days from date of notification of levy by the general secretary. In the Glass Bottle Blowers' Association each local branch pays to the general secretary its per capita within thirty days after notification of levy has been issued.(1) All of the unions that maintain insurance, except the Brotherhood of Locomotive Engineers, require monthly remittances to the general secretary. The Engineers are assessed whenever a death occurs or a disability claim is filed, and remittance must follow within thirty days. The subordinate lodges of the Brotherhood of Locomotive Firemen, however, collects all dues on beneficiary certificates quarterly in advance, but the lodges remit monthly their per capita

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(1) Glass B.Blowers' Const'n, 1904 (Camden, 1904),pp. 39-40.

amounts due the national treasury.

To protect the national unions and the beneficiary departments from local unions and individual members who would draw benefits without contributing to their support, the national organizations provide that the local unions, or the individual member as the case may be, shall forfeit their rights to benefits and privileges of the organization if the dues remain unpaid beyond a fixed period. The Iron Molders provide that any member in arrears for dues or assessments for a period of thirteen weeks shall be suspended from all benefits, the Deutsch-Amerikanischen Typographia limits the period to ___ weeks, the Cigar Makers and the Boot & Shoe Workers to eight weeks, the Plumbers, the Machinists, and the Tailors to three months, the Glass Bottle Blowers to thirty days from date of notification of assessment, the Granite Cutters to three months, and the Tobacco Workers to four weeks.(1) If after suspension payment is not made within

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(1) Iron Molders' Const'n, 1902 (Cinn., 1902), p.19; Cigar Makers' Const'n, 1896, 13th ed. (Chicago, n.d.), sec. 73; Boot & Shoe Workers' Const'n, 1904 (Lynn, 1904), sec. 51; Plumbers' Const'n, 1904 (Chicago, n.d.), p. 28; Machinists' Const'n, 1903 (Washington, n.d.), p. 28; Glass Bottle Blowers' Const'n, 1904 (Camden, 1904), p. 40; Granite Cutters' Const'n, 1905 (Quincy, n.d.), p. 29; Tobacco Workers' Const'n, 1905, 3rd ed. (Louisville, n.d.), sec. 43.

a given time the member stands expelled from the union and forfeits all union privileges until reinstatement according to regulations specified in the constitutions. In another group of unions, the Locomotive Engineers, the Locomotive Firemen, the Railroad Trainmen, the Switchmen's Union, the Letter Carriers' Association, the Brotherhood of Carpenters, the Typographical Union, the Iron Molders' Union, the Granite Cutters' Association, the Brotherhood of Painters, the Pattern Makers' League, and the Wood Workers' Union, the national unions receive dues from the local organization as a unit. Under the rules of these unions the national authorities transact all business with officials of the subordinate body and hold them responsible for a per capita tax upon all members reported in good standing in the local body. Here the national union suspends or expels the particular union that is in arrears,while the latter exercises this authority over its individual members. In the Brotherhood of Carpenters, the Typographical Union and the Wood Workers' Union, the maximum period of arrearages is three months, in the Pattern Makers' League thirteen weeks, and in the Brother-

hood of Painters two months.(1)

Accumulation of funds into the national treasuries gorms an important function in securing trade union benefits. Among the majority of unions--those maintaining systems of equalization of funds alone excepted--definite regulations obtain, whether they relate to payments directly to the national treasury by individual members or payments en bloc by treasurers of local unions for all members reported in good standing. For the accomplishment of this end the national unions retain power of regulation and enforcement. Consequently they have found it necessary to establish at least three definite administrative factors: first as to the time of remittances, secondly, the method of remittance, and, thirdly, rules for the enforcement of remittance.

As to the time in which remittance of funds to the national treasuries must be made two aspects must be considered: that in which payment of dues is made directly

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(1) Carpenters' Constitution, 1905 (Milwaukee, n.d.), sec. 59; Typographical Union's Const'n, 1904 (Indianapolis, 1904), p.10; Pattern Makers' Constitution, 1906 (New York, n.d.), secs. 44-45; Wood Workers' Constitution, 1904 (Chicago, n.d.), sec. 58; Painters' Constitution, 1906 (LaFayette, n.d.), sec. 16.

to the national union by individual members and that of remittance by local unions for their membership. Of the former the Order of Railway Conductors, the Order of Railroad Telegraphers, and the Maintenance-of-Way Employees are representative. The Conductors and the Telegraphers require payment on the first day of each month, and the Maintenance-of-Way Employees on or before the fifth day of each month.(1) In case of remittance by local unions two classes are found: that in which remittances are made after each death and that in which monthly payments are required. The Brotherhood of Locomotive Engineers, the Glass Bottle Blowers' Association, and the Elastic Goring Weavers' Amalgamated Association represent the former class. In the Engineers' Mutual Benefit Department payments are made to local divisions within thirty days from date of notice of levy and to the national treasurer within ten days thereafter; in the Glass Bottle Blowers each local branch remits to the General Secretary ten cents per member in good standing within thirty days from issu-

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(1) Conductors' Constitution, 1903 (Cedar Rapids, n.d.), pp. 80-81; Telegraphers' Constitution, 1903 (St.Louis, n.d.), p. 105; Maintenance-of-Way Employees Constitution, 1903 (St. Louis, n.d.), p. 12.

ance of notice of assessment.[1] The latter class includes the majority of unions, in which remittance is made by local unions. Among these are Brotherhood of Locomotive Firemen, Brotherhood Railroad Trainmen, Switchmen's Union, Boot & Shoe Workers, Letter Carriers' Mutual Benefit Association, Iron Molders, Granite Cutters, Brotherhood of Carpenters, Typographical Union, Painters, Pattern Makers, Wood-Workers, Tobacco Workers, Tailors, and Hotel and Restaurant Employees. These unions, however, as to time of paying dues, may be grouped into three. One group requires collections by local unions and transfers to national unions within the month for which dues are collected, each fixing a limit after which penalty for delay attaches;[2] another group fixes the time of payment to

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(1) Engineers' Constitution, 1904 (Cleveland, 1904),p.80; Glass Bottle Blowers' Constitution, 1906 (St. Louis, 1906), pp. 41-42.

(2) Brotherhood of Locomotive Firemen, on or before the 20th day of the month in which assessments are made, Constitution, 1905, Indianapolis, n.d., p. 31; Brotherhood of Railroad Trainmen on or before the 5th day of each month, Constitution, 1903, Cleveland, 1903, p. 29; Letter Carriers, on or before the 15th day of each month, Constitution, 1903, Washington, 1904, p.61; Switchmen's Union, not later than 3rd of each month, Constitution, 1903, Buffalo, n.d., p.35.

national unions at a specific date in a succeeding month for the dues of the preceding month;[1] other unions require weekly or monthly transfers--Boot and Shoe Workers, on Monday of each week, dues collected for the previous week, Iron Molders, weekly (no date given), Granite Cutters, monthly or oftener so that not more than $10. remains in local treasury at end of each month.[2]

The methods of remittance of funds are by individual members, payable directly to the national treasurers and by local unions who remit a per capita tax for all members in good standing. In the former case, of which the Order of Railway Conductors and the Order of Railroad Telegraphers are typical, separate accounts are kept by the

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(1) Typographical Union, before the 20th day of the succeeding month, Constitution, 1904, Indianapolis, 1904, p. 9; Brother of Painters immediately after the first meeting of each month, Constitution, 1906, Lafayette, n.d., p. 39; Pattern Makers, on or before the 10th day of each month, Constitution, 1906, New York, n.d., p. 36; Tailors on or before the 15th day of each month, Constitution, 1906, Bloomington, n.d., p. 11; Brotherhood of Carpenters, Constitution, 1905, Milwaukee, n.d., p. 13, the first meeting night of each month, for the preceding month.

(2) Boot & Shoe Workers' Constitution, 1906, Boston, 1906, p. 28; Iron Molders' Constitution, 1902, Cincinnati, 1902, p. 19; Granite Cutters' Constitution, 1905, Quincy, n.d., p. 61.

national union of each member's standing; while in the latter the accounts of individuals are kept by local unions and they in turn render accounts to national treasurers.

As to the enforcement of remittances all unions have adopted rules of suspension for postponement of payment, followed by expulsion or withdrawal of charter in case of refusal to pay. In case of the Conductors and the Telegraphers--typical unions in which insurance is carried and in which members pay assessments directly to the national body--the certificates of insurance upon which the regular premiums or assessments are not paid within two months from date of notice thereof are forfeited, together with all benefits thereunder.(1) On the other hand where local unions remit all dues for their members the national officials enforce rules relating to payments by local unions, and the latter rules relating to individual members. Rules in operation under systems of insurance have the counterpart operating in payment of death benefits.

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(1) Conductors' Constitution, 1903, Cedar Rapids, n.d., p. 81; Telegraphers' Constitution, 1903, St. Louis, n.d., p. 105.

Of the former class the Brotherhood of Locomotive Firemen, the Brotherhood of Railroad Trainmen, and the Letter Carriers are typical; while in the latter the Typographical Union, the Brotherhood of Carpenters, and the Granite Cutters' Association are representative. Each of the former unions provide for suspension of delinquent lodges and later expulsion and withdrawal of charter in case of further refusal to pay dues. However members in good standing are permitted to remain in benefit by transfer to other lodges or by remitting all dues to the national body.(1) In the latter group the unions are suspended as delinquents when dues remain unpaid beyond a certain date. This debars the union as a whole from all benefits, but in the Brotherhood of Carpenters and the Granite Cutters' Association members who are in good standing at time of suspension of their union may retain their rights to the benefits of the organization by transfer to other unions.(2)

The payment of beneficiary claims to the designated

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(1) Firemen's Constitution, 1905 (Indianapolis, n.d.), p. 32; Trainmen's Constitution, 1903 (Cleveland, n.d.), pp. 21, 29.

(2) Carpenters' Constitution, 1905 (Milwaukee, n.d.), p. 12; Granite Cutters' Constitution, 1905 (Quincy, n.d.), p. 65.

beneficiary, in case of death or disability, or to the disabled, the sick, or the unemployed member is the final stage in administration. Herein the duties of national and local officials supplement each other and include three principal elements in the payment of benefits. These are the accuracy with which claims are made out and filed with the proper subordinate officials, the carefulness with which these officers validate the applications and present formal claims upon the national union, and finally the scrutiny with which the national officers review the technicalities of these claims and the ability of these officials to determine the legality of the claims. When these are carried out to the fullest, payment of illegal claims is largely eliminated, contentment prevails among the members, confidence in the scheme of benefits is established, and a vital point of attack upon the principle of trade union benevolences is removed.

Very grave responsibilities rest upon the administrative officers in the final settlement of each of the different benefits. This responsibility is present in a smaller degree in payment of death claims than in any other benefit. In other words these officials are able to

follow more strictly the letter of the law without having to consider its spirit. The usual course of procedure is a report from the local union to the national officials containing the official standing of the deceased member in his local union. If the reports of national and local unions correspond and the deceased member is clear on the records of both local and national unions, and so considered in good standing at the time of his death, the claim is approved by the national officers and payment is made to the designated beneficiary, or legal heirs of the deceased. The report of the subordinate union to the national union, covering the case in point, contains a certificate validating the claim, sworn to before a notary public or commissioner by the president and the financial secretary, together with all documents upon which the local authorities based their decision or prayer for the payment of the claim. Upon receipt of an application for a claim the general secretary-treasurer, the general president, or both, examine it and if satisfied as to its validity order immediate payment; but questionable claims they refer to the general executive board for final ad-

justment.[1]

The settlement of disability is more difficult than that of death claims. This is due largely to inability to define satisfactorily the term "total or permanent disability," or inability to apply the accepted definition to the case in question. Of the unions that pay disability insurance or benefits the Brotherhood of Locomotive Engineers, the Order of Railway Conductors, the Brotherhood of Locomotive Firemen, the Brotherhood of Railroad Trainmen, the Switchmen's Union, the Brotherhood of Carpenters, the Brotherhood of Painters, and the Amalgamated Glass Workers' Association name specifically those disabilities that constitute "total or permanent disability" as adopted by their national conventions; while the Amalgamated Wood-Workers Union and the United Metal Workers' Union make no specifications other than disqualification for the "following the trade."[2] In the latter group of

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(1) Iron Molders' Constitution, 1902 (Cincinnati, 1902), p. 41; Cigar Makers' Constitution, 1896, 14th ed. (Chicago, n.d.), sec. 151; Painters' Constitution, 1906 (LaFayette, n.d.), sec. 87.

(2) Iron Molders' Constitution, 1902 (Cincinnati, 1902), p. 40; Carpenters' Constitution, 1905 (Milwaukee, n.d.), p. 19; Painters' Constitution, 1906 (LaFayette, n.d.), p. 24; Glass Workers' Constitution, 1903 (n.p.n.d.),

(continued on next page)

unions the administrative officers have large discretionary power. Except the limitation by the restraint of appeal they possess plenary power in defining "total or permanent disability." This lack of more specific laws has given rise to unsatisfactory administration and this in turn to general complaint.(1) In the first place all claims for disability benefits are filed with the local officers of the disabled members' union for their examination and approval or rejection. In case of approval the claims are forwarded to the central office of the national union with all necessary papers concerning its validity. If the claim is approved, payment is made through the local union to the legal claimants.(2)

Each organization that pays disability benefits or

(Note continued from preceding page) p. 11; Wood-Workers' Constitution, 1905 (Chicago, n.d.), sec. 137; Metal Workers' Constitution, 1903 (Joliet, n.d.), sec. 115.

(1) Iron Molders' Proceedings of the Nineteenth Session, 1890, Report of President (Cincinnati, n.d.); Carpenters' Proceedings of Seventh General Convention, 1892, Report of the President (Philadelphia, 1892).

(2) Iron Molders' Constitution, 1902 (Cincinnati, 1902), p. 41; Carpenters' Constitution, 1905 (Milwaukee, n.d.), secs. 109-110; Painters' Constitution, 1906 (LaFayette, n.d.), secs. 84-87.

insurance for total or permanent disability has prescribed rules as to the time within which application must be made, the method of procedure in filing claims, and the character of the documents necessary for final approval by the national union. The majority of unions specify in more or less definite terms the time within which claims for disability must be filed with their general secretary-treasurer. The Conductors and the Carpenters require claims to be filed within one year from date of disability,[1] the Firemen and the Switchmen, within six months,[2] and the Trainmen "promptly" after injury;[3] while the Engineers and the Maintenance-of-Way Employees fix no specific time for filing claims except in case of disability by loss of eye-sight. In this case unless the eyes have been removed, no claims shall be paid until the expiration of one year from date of surgeon's examination.[4] The Carpenters and the Painters further specify

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(1) Conductors' Constitution, 1903 (Cedar Rapids, n.d.), p. 82; Carpenters' Constitution, 1905 (Milwaukee, n.d.), p. 19.
(2) Firemen's Constitution, 1905 (Indianapolis,n.d.),p.30; Switchmen's Constitution,1903 (Buffalo,n.d.), p. 20.
(3) Trainmen's Constitution, 1903 (Cleveland, 1903), p.35.
(4) Engineers' Constitution, 1904, Cleveland, 1904, p. 85; Maintenance-of-Way Employers' Constitution, 1903, St. Louis, n.d., p.14.

that notice of disability must be given the General Secretary-treasurer within sixty days after date of liability.

The method of procedure in filing disability claims is practically the same in all unions. Generally speaking two important stages are necessary for the payment of every claim: declaration of disability and formal filing of claim by the local unions, and receipt and approval by national authorities. In support of these, however, the applicant must file or cause to be filed sufficient documentary proof of the genuineness of the claim in question. For the most part this consists of formal notice from subordinate union accompanied by sworn certificate of attending physicians. The Trainmen, the Switchmen, the Carpenters, and the Painters conform to this general practice.(1) The Firemen provide that the grand officials may, when necessary, appoint a physician to establish the validity of a claim, the Maintenance-of-Way Employees require subordinate lodges to appoint a special committee to report on the nature and cause of the disability; the

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(1) Trainmen's Constitution, 1903 (Cleveland, 1903), p.35;
Switchmen's " 1903 (Buffalo, n.d.), p.16
Carpenters' " 1905 (Milwaukee, n.d.), p.19.
Painters' " 1906 (Lafayette, n.d.), p.20

Engineers exercise special care in proving a claim on account of loss of sight. In addition to the regular official notice from subordinate divisions, they require a certificate signed by two experienced oculists; and in case the eyes have not been removed from the socket the certificate must be filed at the central office for one year from date of examination, at the end of which two additional certificates from two experienced oculists must be furnished certifying to total or permanent blindness.(1)

In the settlement of insurance claims or death and disability benefits more or less power rests in the hands of national officials. They are the active agents of the national unions, they receive their authority from the national convention, and hence indirectly from the members at large. Consequently, while decisions of national officials in the settlement of claims are in many cases final, the rejected or dissatisfied claimant may appeal to the national convention as final arbiter. In efforts to reduce methods of appeals to systematic form the sev-

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(1) Firemen's Constitution, 1905, Indianapolis, n.d., p.34; Maintenance-of-Way Employees' Constitution, 1903, St. Louis, n.d., p. 13; Engineers' Constitution, 1904, Cleveland, 1904, p. 85.

eral organizations have prescribed certain regulations as to the time within which appeals should be made, and the form to which they should conform.

Regulations governing the time and manner of appeals are in general the same in all unions. Those of the Brotherhood of Railroad Trainmen and the National Associations of Letter Carriers are typical and give in brief the attitude of labor organizations as to the authority their national bodies should possess relative to final adjustment of beneficiary claims. The Trainmen provide that, in case the beneficiary board reject a claim that has been referred by the grand secretary-treasurer, the claimant may appeal to the grand lodge at its next succeeding session, after which right of appeal shall be debarred. The Letter Carriers specify that appeals shall be taken to the board of trustees at the first meeting following the rejection of claims. The form of appeal required by the Trainmen is first a written notice to the grand secretary-treasurer of desire and intention of appeal, and then a formal appeal to the grand lodge accompanied by such data as may prove the claim. The Letter Carriers require appellants to appeal in writing first to the board of trustees and finally to the National Con-

vention.[1]

The payment of sick and out-of-work benefits involves weekly payments and hence the national unions must regulate by specific laws the manner, the time, and the amount of payment. In case of sick benefits some unions prepare blanks for application for each benefit received. These applications are made to the general secretary-treasurer of the national union and must be accompanied by a certificate from some regularly registered practicing physician containing the endorsement of the local union. The principal unions of this group are the Boot & Shoe Workers, the Barbers, and the Tobacco Workers.[2] Another group of unions require that the member report his sickness to his local union either orally or in writing, with satisfactory evidence as to his real sickness. The principal unions of this group are the Iron Molders, the Cigar Makers, the Plumber, the Leather Workers on Horse Goods, and the Garment Workers. The Cigar Makers and the Plumbers require the member to furnish proof of sickness which must

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(1) Trainmen's Constitution, 1903, Cleveland, 1903, p.39; Letter Carriers' Constitution, 1903, Washington, 1904, p. 74.

(2) Boot & Shoe Workers' Constitution, 1904 (Lynn, 1904), sec. 64; Barbers' Constitution, 1905 (Indianapolis, n.d.), sec. 36; Tobacco Workers' Constitution, 1900, 3rd ed., 1905 (Louisville, n.d.), sec.58.

contain a physicians' certificate giving the cause and the nature of his illness and a certificate properly signed by local officials giving the amount of benefits previously received. This last must be presented for each week the member is entitled to a benefit.(1)

The time of commencement of the benefit in the various unions differs somewhat. The Cigar Makers, the Plumbers, and the Garment Workers begin payment from the time sickness is reported to the local union, provided however that no benefit shall be paid for less than one week or seven days' illness.(2) The Iron Molders, the Boot & Shoe Workers, the Bakery & Confectionery Workers, and the Barbers do not pay benefits for the first week of reported sickness, but begin payment with the second week. The Iron Molders, however, provide that in order to become entitled to the benefit at this time, the member must notify the financial secretary of his local union within

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(1) Cigar Makers' Constitution, 1896, 14th ed. (Chicago, n.d.), sec. 135; Plumbers' Constitution, 1904 (Chicago, n.d.), sec. 202.

(2) Cigar Makers' Constitution, 1896, 14th ed. (Chicago, n.d.), secs. 135-136; Plumbers' Constitution, 1904 (Chicago, n.d.), sec. 203; Garment Workers' Constitution, 1902 (New York, n.d.), p.38.

one week from beginning of sickness, or the benefit will begin from date the union receives notice.[1] The Brotherhood of Leather Workers on Horse Goods does not grant benefits for the first week's illness unless the member is sick continuously two weeks or over.[2] The Pattern Makers allow no claims on sick benefits for a period less than fourteen days, but at the end of this period, if sickness has continued, the member receives aid for the full period.[3] The Tobacco Workers begin payment fourteen days after the local receives notice of sickness. However, if it continue for twenty-one days or more, full benefit is paid from date of first report.[4]

The number of weeks during which the majority of unions grant sick benefits in any one year is thirteen. The year begins with the first sickness and benefits may be drawn continuously or periodically for thirteen weeks

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(1) Iron Molders' Constitution, 1902 (Cincinnati, 1902), p. 37; Boot & Shoe Workers' Constitution, 1904 (Lynn, 1904), secs. 64-65; Barbers' Constitution, 1905 (Indianapolis, n.d.), p.10; Bakers' Constitution, 1905 (Indianapolis, n.d.), p. 51.
(2) Leather Workers' Const'n, 1904 (Kansas City, n.d.)p.21.
(3) Pattern Makers' Const'n, 1906 (New York, n.d.),p.48.
(4) Tobacco Workers' Const'n, 1900 (Louisville, n.d.), sec. 55.

as the sickness may occur. However, there are several exceptions to this term of payment. The Piano & Organ Workers and the Garment Workers pay benefits for eight weeks only, and to this the Garment Workers add a restriction for successive years, namely, twelve weeks in any two consecutive years, fifteen for any three, and eighteen for any four years, thus reducing the average per year for a period of successive years.(1) The Oil and Gas Workers allow benefits for sixteen weeks, and the Journeymen Barbers twenty, while the Bakery & Confectionery Workers pay twenty-six weeks' benefit. The unions that pay for thirteen weeks constitute the largest group and the most representative class of unions and this period may be said to represent American trade unions' standard of caring for the sick.

The method of paying sick benefits is practically the same in all unions. The only fundamental difference depends upon whether the funds for sick purposes are held by the national unions or by the local unions. In case they are held by the former, the general secretary-treas-

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(1) Piano & Organ Workers, Const'n, 1902 (Chicago, 1903), p. 18; Garment Workers' Const'n, 1906 (N.Y., n.d.), p. 41.

urer, on approval of application for benefit, forwards the necessary amount to the local union, and it in turn pays to the applicant. In the Cigar Makers' Union, the Plumbers Association, and the Iron Molders' Union funds for sick purposes are in possession of local unions and payments are made by local treasurers on the order of their executive boards or trustees.(1) In other unions, as the Pattern Makers' League and the Tobacco Workers' Union, sick benefit funds are held by the national unions and from them authority for the payment of all claims issues. In the Pattern Makers the general secretary-treasurer remits to the subordinate unions and they in turn pay to the individual members; while in the Tobacco Workers the international secretary-treasurer authorizes the financial secretaries of local unions to pay sick benefits from dues collected for the week, and if these are not sufficient in amount to meet all demands, the international secretary-treasurer reimburses the local union from the

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(1) Cigar Makers' Constitution, 1896, 14th ed., Chicago, n.d., p.35; Plumbers' Constitution, 1904, Chicago, n. d., p. 35; Iron Molders' Constitution, 1902, Cincinnati, 1902, p. 38.

national treasury.[1]

Administration of out-of-work relief is similar to that of sick benefits. Relief of this kind is necessarily on a weekly basis and just as in the sick benefit the national unions must regulate the manner of payment, the time when it begins, and the extent to which it is granted. Each subordinate union keeps a complete record of all unemployed members, made up of those who are out-of-work and who have reported their unemployment to their local unions. Each member that wishes out-of-work assistance must show that he has been discharged from no fault of his and that he has been unemployed for a definite period. He is then allowed to register on the unemployed list and is entitled to the benefits of the organization for a definite amount or for a fixed period, provided he report to his union at regular intervals.

Registration is the first requirement to entitle members to out-of-work assistance. The national unions define the precise manner in which this is done through

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(1) Pattern Makers' Constitution, 1906, New York, n.d., p. 50; Tobacco Workers' Constitution, 1900, 3rd ed., Louisville, 1905, p.30

the local union as agent. The Cigar Makers do not permit registration from June first to September eighth and from December sixteenth to January eighth, of any year, nor do they allow payment from June first to September twenty-third and from December sixteenth to January fifteenth of any year. During these periods unemployed members shall obtain a certificate from the financial secretary from whom they received the last benefit, which they shall present for the official signature of the secretary of the union to whom they report during these periods. And from June first to September twenty-third the unemployed--though no benefit is granted for this term--in order to keep in good standing, must report "out-of-work" at least once a week to the financial secretary.(1) In addition to registration the members must report regularly to their local unions at stated times during the period in which he wishes out-of-work assistance. The Cigar Makers provide that local unions shall arrange convenient places for daily registration. In unions where a secretary is

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(1) Cigar Makers' Const'n, 1896, 14th ed. (Chicago, n.d.), sec. 121.

employed for full time, unemployed members must report between nine and eleven o'clock in the forenoon, or between two and four in the afternoon. Where there is no secretary, registration may take place between nine A.M. and four P.M., except in case of traveling members with certificates of registration, who may report between eight A.M. and five P.M.[1] The Tobacco Workers require the members to report "out-of-work" at least twice a week, and the Deutsch-Amerikanischen Typographia----------.[2] In the Iron Molders' Union the idle member reports to his local lodge at the first regular meeting after idleness begins and once a week while on the out-of-work list.[3] The traveling member of the Iron Molders may present his card at any meeting of any local union within eleven weeks from date of issue and shall be entitled to out-of-work stamps.[4] The traveling Cigar Maker may draw out-of-work relief from any local union after depositing his card and registering six days.[5]

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(1) Cigar Makers' Const'n, 1896, 14th ed. (Chicago, n.d.), sec. 123.
(2) Tobacco Workers' Constitution, 1900, 3rd ed., 1905 (Louisville, n.d.), sec. 43.
(3) Iron Molders' Constitution, 1902 (Cincinnati, 1902), p.43.
(4) Iron Molders' Constitution, 1902 (Cincinnati, 1902), p.44.
(5) Cigar Makers' Const'n, 1896, 14th ed. (Chicago, n.d.), sec. 124.

The length of the period of idleness before payment of relief begins varies in different unions. The Cigar Makers commence with the second week, provided, however, that the member having received four weeks' strike or sick benefit shall not be entitled to out-of-work aid for four weeks thereafter.[1] The Iron Molders issue out-of-work stamps after two weeks' idleness.[2] In the Pattern Makers' League payments begin from date of application to general secretary-treasurer, but no benefits to be paid for a period less than one week; while in the Tobacco Workers' Union, members out-of-work and unable to pay dues are given a period of twelve weeks within which to pay all arrearages; and in the Typographia after the member has been on the unemployed list eighteen days.[3]

The systems of payment of the two principal unions, the Cigar Makers and the Iron Molders, are radically different. The Cigar Makers pay through their subordinate unions a fixed amount per week, while the Iron Molders

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(1) Cigar Makers' Const'n, 1896, 14th ed. (Chicago, n.d.), secs.117, 119.
(2) Iron Molders' Const'n, 1902 (Cincinnati, 1902), p.43.
(3) Pattern Makers' Const'n, 1906 (New York, n.d.), p.17; Tobacco Workers' Const'n, 1900, 3rd ed., 1905 (Louisville, n.d.), sec. 43; Typographia Constitution

credit the unemployed member with payment of dues for a given period. The Cigar Makers pay a cash benefit; the unemployed iron molder receives a credit on his dues account in the form of an out-of-work stamp for each week of idleness after the first two. The stamp is affixed to the members' receipt book for a period of not more than thirteen weeks in any one year, each stamp representing a credit of eighteen cents. That the records of the national and local union may balance the financial secretary of each local union makes monthly reports to the National Financier containing the number of out-of-work stamps issued and the financial standing of each member. The stamps are furnished the local unions by the general secretary in such numbers as he considers necessary; and to reimburse the national funds for the stamps issued the local unions the general secretary draws from the out-of-work fund a sum equilavent to the value of the stamps. The eighteen cents per stamp is apportioned at the rate of ten cents per stamp to the monthly fund and eight cents to the sick fund.[1] In these two unions out-of-work

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(1) Iron Molders' Constitution, 1902 (Cincinnati, 1902), pp. 44-45.

relief is presented as it is in operation among American trade unions. The form maintained by the Cigar Makers is based upon English methods, while that of the Iron Molders is American in origin.

All the commonwealths of the United States regulate by law the conduct of insurance business. In this regulation distinction has necessarily been made between regular insurance companies and that class of organizations known as fraternal or beneficiary societies. The trade organizations described in this monograph as maintaining insurance or benefit departments fall under the latter class. Because of the nature of these organizations, however, the origin of their benefit departments has not been given the publicity usually surrounding the origin and operation of old line companies. Consequently some of them have maintained systems of insurance more or less in conflict with the insurance laws of the states within which they operate. Gradually, however, with the publicity given trade union movements and the policies for which they stand the real nature of their insurance features has been revealed. By means of this revelation their insurance has been made to conform more closely to state

insurance laws. This has been secured, in case of unions paying insurance, either by incorporating the insurance departments under the insurance laws of the state or by modifying the laws of the organization so as to conform to special state regulations for fraternal insurance companies. While in case of the large majority of unions that pay benefits only, regulation by the states has assumed, for the most part, only the authority of defining the scope of such benefits. Therefore just as both state and national laws tend to further the monopolistic ambitions of trade unions in their efforts to produce some degree of proficiency among workmen, they at the same time have set standards, guarded by sufficient limitations, to which the unions must conform. In no sphere of union activity is this more evident than in the insurance and the beneficiary departments. So those unions that pay insurance must do so either as chartered organizations, or under state licenses.

The Brotherhood of Locomotive Engineers and the Order of Railway Conductors have been object lessons to this class of unions relative to the demands of state laws in their requirements of insurance departments of railway

organizations.

Prior to 1894--from December, 1867 to 1894--the Brotherhood of Locomotive Engineers did insurance business in the State of New York. This business was in violation of the laws of the state and consequently after the nature of the insurance laws of the Brotherhood was revealed through a suit by a member of a local division of New York City to enforce the payment of an insurance certificate, the State Superintendent of Insurance notified the Brotherhood that incorporation of the insurance department was necessary for the continuance of the business.(1) In consequence, thereof, the central offices of

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(1) Professor Emory R. Johnson (Bulletin of the Department of Labor, No. 17, July, 1898 (Washington, 1898),p. 556, quotes the First Grand Engineer as saying that the Brotherhood was enjoined from doing insurance business in the State of New York until incorporated. Attorney General W. S. Jackson, State of New York, writes the author (March 5, 1907) that there is no record, in his office, of any such injunction. Mr. W. E. Futch, President of the Locomotive Engineers' Mutual Life and Accident Insurance Association, who was intimate with the First Grand Engineer, T. S. Ingram,and his successor, P. M. Authur, writes the author (March 12th, 1907) that P. M. Authur, Grand Engineer, at the time of incorporation of the Insurance Association under the laws of the State of Ohio, said the Brotherhood was compelled to incorporate the Association. Mr. Futch's impression is that the Association was not enjoined by the State of New York

(continued on next page)

the Brotherhood were transferred to Cleveland, Ohio, and on 22nd of February, 1894, the insurance department was incorporated under the laws of the State of Ohio as a separate organization.(1) Also the Conductors were forced to change their insurance system after several years of extra-legal business. In December, 1885, the Order moved its central office from Cedar Rapids to Chicago. In order to strengthen its power and to broaden its influence the Order, in 1886, applied for a certificate of incorporation under the laws of the State of Illinois. The Secretary of State refused the certificate on the ground that the insurance regulations of the Order were in violation of the state laws, and requested that these be changed and that the insurance department be incorporated as a separate organization. The Secretary was willing to in-

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(note continued from preceding page) from doing insurance business therein, but that the State Superintendent of Insurance simply notified the Brotherhood that it was doing business contrary to the insurance laws of the State of New York and that incorporation was necessary for continuance of the business. Professor Johnson says (in letter to author, April 20, 1907), "there is no question as to the accuracy of the statement," that Brotherhood was enjoined, but is unable to recall his authority.

(1) Engineers' Journal, Vol. 28, p.360.

corporate the Order under the Act of 1872, provided the Order eliminate from the object of organization the clause providing for the payment of benefits or indemnity, or he was willing to issue a charter based on the Act of 1883 which provided that only such powers could be taken as are specifically named therein, namely, "the furnishing of life indemnity or pecuniary benefits to widows, orphans, heirs, relatives, and devisees of deceased members, or accident or permanent disability indemnity to members."(1) In other words the Order could have been incorporated under the Act of 1872 to do all business except the insurance, while under the Act of 1883 it could have been incorporated to maintain a system of insurance, but nothing else. The only alternative was separate organizations for the protective and the benevolent departments. The Order was unwilling to separate the two departments and consequently transferred its central office to Cedar Rapids, Iowa. The board of directors, on July 12, 1887, ordered the grand secretary to proceed with

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(1) Conductors' Proceedings of the Nineteenth Convention, New Orleans, 1887, pp. 51 -52, 63.

incorporation under the laws of the State of Iowa.[1] The certificate of incorporation, however, was not issued until the laws of the union were made to conform to the insurance laws of the state. These changes were only incidental ones, as the name of the Insurance Department to "Mutual Benefit Department," and in no way affected the intent of any laws of the Order.

The other railway brotherhoods have conformed to the insurance laws of the states in which they do business. The insurance department of the Switchmen's Union is incorporated under the laws of the State of New York. The Brotherhood of Locomotive Firemen does business in the State of Illinois under the enactment of 1893, whereby all beneficial fraternal associations are declared to be corporations, the insurance features of which are subject to state laws.[2] The Brotherhood of Railroad Trainmen operates its insurance department under a license issued by the insurance department of the State of Ohio

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(1) Conductors' Proceedings of Nineteenth Convention (New Orleans, 1887), pp. 155-156.

(2) Hurd--Revised Statutes of Illinois, 1901 (Chicago, 1901), secs. 258-260, p.1071.

under the Fraternal Beneficiary Society Act.

The National Association of Letter Carriers, at the time of organizing the Benefit Association, August 7, 1891, incorporated the Association under the laws of the State of New Jersey. But less than one year later, February 26, 1892, the Association was reincorporated under the laws of the State of Tennessee. This change was made, says Chief Collector Dunn, (1) in order that both the National Association and the Mutual Benefit Association might operate under one charter. Tennessee was the only state that would empower the National Association to do this. Other states considered the protective and the insurance departments separate institutions and demanded that separate charters be taken out. Under the present arrangements they are considered different departments of the same organization, with headquarters for the former at Washington, D.C., and for the latter at Nashville, Tennessee.

The right to pay benefits, such as are offered by the large class of unions that pay what are generally included in funeral, sick, and out-of-work benefits, presents a

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(1) Correspondence to the author, February 14, 1905.

different aspect. With one exception, the Brotherhood of Painters,[1] the unions of this group have neither taken out charters of incorporation nor in any way obtained authority to operate benefit departments within their respective states. Consequently they maintain that their systems are in no way subject to state control. But this body of unions cannot be said to operate benefit laws irrespective of state laws. They do not issue beneficiary certificates as do the railway unions, the Letter Carriers' Association, and the large class of fraternal beneficiary societies, and hence are not considered to be maintaining insurance departments. However, since all states have insurance laws which contain specific provisions for the regulation of fraternal insurance societies, and thereby define the scope and functions of such organizations, state regulations are sufficiently comprehensive to include every organization that pays benefits for the sole advantage of its members and their beneficiaries, and not for profit. Therefore it is conclusive that, while the beneficiary features of many trade unions are not under

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(1) Painters' Constitution, 1901 (LaFayette n.d.), p.1; chartered under the laws of the State of Indiana.

direct control of state laws, the laws do set the margin of their activities. In other words these unions inaugurate such benefit laws as do not conflict with the insurance laws of the states and hence may be said to be not subject to state regulations.

The Brotherhood of Painters, in the incorporation of its organization, has made a step beyond the practices of unions of its type. On December 7, 1894, the Secretary of State of Indiana issued a certificate of incorporation to the Brotherhood under the state law entitled "An act to authorize the formation of voluntary associations;" and in order to conform more strictly to the state laws the corporate name was changed, in December, 1899, to the present name.(1) Incorporation, however, has not proved satisfactory. For many years the Brotherhood maintained one general fund from which local unions received assistance in time of strikes, or in other cases of need. As a chartered institution the funds were liable at action and all payments from them subject to injunction. This status of affairs led the officials to urge complete separation of protective and benevolent funds and thereby

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(1) Painters' Constitution, 1899 (LaFayette, n.d.) pp.2-5.

to offer greater protection to the members. Consequently in 1904 the Brotherhood adopted the recommendations of the national officials and apportioned the national receipts into separate funds to be used only as specified.(1)

Although American trade unions are as a body opposed to any form of incorporation, a few have made unsuccessful efforts to incorporate the beneficiary feature. However trade union principles are against it. Among the chief opponents of incorporation are to be found the most active trade union leaders. President Gompers, the real leader of the opposition, sees two general classes among those advocating incorporation: those of a purely honorable and sympathetic purpose and those who fully realize the means incorporation would furnish the enemy to harass organized labor. He maintains that incorporation would serve to aid opponents of labor not only to direct attention from economic improvement but to "mulct the unions in damages for supposed injurious results from trade union action." Apparently the most important point urged by the opponents is to place the unions on an equality of responsibility,

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(1) Painters' Constitution, 1904 (LaFayette, n.d.), p.45.

in case of breach of contract, with that of employers.[1] Mr. Mitchell of the United Mine Workers argues that any statutory laws requiring incorporation of trade unions would be class legislation and that rigid application of such laws would hinder materially the growth of unions.[2] Others maintain that incorporation is needless, that it would pave the way for bankruptcy of trade union treasuries through court litigations, and that the position of trade union oppositionists will have been strengthened materially.[3]

The opponents of incorporation have increased with the development of union principles and to-day the fighting strength of non-incorporators is more formidable than at any time in the history of American trade unions. With the increasing opposition of interests of employee and employer, the unions are carefully measuring each step of advancement and effecting more permanent improvements in the laboring man's employment.

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(1) Report of Proceedings of Twenty-fourth Annual Convention of American Federation of Labor (Washington, 1904), p.32.
(2) Mitchell "Organized Labor," p.223.
(3) "The Boot & Shoe Worker," Vol. 3, December, 1902, p. 1.

The states under whose laws trade unions maintain systems of benefits not only make provision for their operation and regulation, but the courts have done much to enforce union laws with equity and justice. Recent court decisions upon questions involving payment of benefit claims show that both state and federal courts have considered many phases of trade union benefits and that the union man's interests have entered equitably into these decisions. Opinions have been given, for the most part, in suits against the unions to force payment of some rejected claim, and have involved largely questions arising from differences of opinion concerning interpretation of some clause of the benefit laws. Decisions have been rendered both for and against the unions. And in many cases the courts have brought to the attention of union officials serious defects that have unavoidably been embodied in the constitutions and by-laws and, by eliminating many technicalities, have aided the unions in placing payment of claims on a legal basis.

In course of procedure in both civil and equity courts decisions show that the unions have lost in many instances. But these are also evidence that the courts

have aimed to interpret the by-laws and the constitutions of trade unions in such a way that the systems of benefits in operation might conform to the state laws under which they exist, and that they have at the same time endeavored to apply union regulations as the letter and the spirit of them permit. A review of court decisions in suits involving trade union principles shows that there are many cases both for and against the unions--with perhaps a majority in favor of the insured. These decisions have emphasized the fact that trade union regulations, so far as they relate to payment of insurance, are more or less defective. The letter of the law is indefinite and inexplicit, and consequently fails to convey the real intention of the insurance feature. Some of the important phases of administration that have been under review involve legal principles that relate to the settlement of claims upon legal beneficiaries, the legal course of procedure in appeals from decisions of administrative boards, the extent of jurisdiction of executive committees, and the powers and authorities of local unions relative to those of the national unions. Some important principles that have been developed and established under the reviews

of higher state and federal courts are: trade unions must be held responsible for both the spirit and the letter of their constitutions and by-laws; trade union laws should be specific; a reasonable interpretation will be given vague and ambiguous parts of union constitutions and by-laws; unions must perform fully all obligations to their members; an act by implication is equally binding as a specific performance.

In the first place there are a number of cases relating to payment of claims to the legitimate beneficiary. In all of these the courts were called upon to determine the proper beneficiary and in so doing they have interpreted union regulations according to their intent as far as state laws permitted. The principle cases in which the intention of the insured and the spirit of the laws were executed are: Order of Railway Conductors v. Koster; Hoffman v. Brotherhood of Locomotive Firemen; Pfingsten v. Perkins; Gould v. United Traction Employees' Mutual Aid Association. Under the laws both of the unions that pay insurance and of those that pay benefits each member on taking out a beneficiary certificate or on subscribing to his union's rules is required to designate a beneficiary

or beneficiaries to whom his insurance or benefits must be paid. There are national officials with jurisdiction over settlement of all claims, but because of many complications arising from re-marriages, transfers, etc., the courts have in many cases been the final arbiters.

The first case of importance is that of Order of Railway Conductors v. Ella Koster, Respondent, and Sarah E. Lally and John Lally, Appellants, before St. Louis Court of Appeals, 1893.(1) In this case the courts drew a fundamental distinction between a benefit certificate issued by a benevolent society and an ordinary life insurance policy. The insured, after being divorced in vinculo matrimonii without alimony, instructed the Secretary of the Order, in the manner prescribed by the rules of its Mutual Benefit Department, to transfer his insurance certificate from his divorced wife to his sister, the respondent. Before the transfer was made, the insured died. There was no evidence that he changed his intention, and the courts awarded the benefit accordingly. In sustaining the lower court the Court of Appeals held (1) that a benefit certificate in a benevolent society is different

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(1) 55 Missouri, 186 (1893).

from an ordinary life insurance policy in that it is testamentary in character, and (2) that as long as the appellant in question filled the description in the certificate she held an insurable interest in the life of the deceased, but on becoming divorced she no longer filled the conditions specified. Here the courts decided directly against the letter of the law and ordered judgment in accordance with the intent of the insurer and the insured. Similarly in the case of Hoffman v. Brotherhood of Locomotive Firemen,[1] decided in 1898, in which the above case was cited as a precedent, the courts again put aside form of contract and based their decision upon the intention of the insured. The deceased had changed his beneficiary, contrary to the laws of the Brotherhood, without consent of his subordinate lodge, and the Grand Lodge rejected the claim on the ground of illegality. The Courts, however, disregarded the fact that the new beneficiary was not properly designated and in order to carry out the will of the decedent awarded the benefit to the sister with whom he had lived and excluded his heirs who were not members of his family, though they were of the same blood relation.

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(1) 70 Missouri Appeals, 47 (1898).

Again the courts have been called upon to judge of the character of trade union beneficiary laws--as to the reasonableness or unreasonableness of their requirements. The principal case bearing on this point is Alters v. Journeymen Bricklayers' Protective Association.(1) In this case the courts were called upon to consider the reasonableness of the laws of the Association with reference to payment of benefits. The defendant Association rejected the plaintiff's claim on the ground of illegality. The Association justified this action on specific regulations of its constitution, which provide that a member in arrears in payment of dues for a certain period shall not become beneficial or his representatives shall not be entitled to funeral benefits until such a member shall have served a probationary period varying from one month to six months according to the length of arrearage. The courts held that the laws of the Association were not unreasonable in this provision and hence refused the plaintiff judgment.

The application of disability benefit laws, and especially the interpretation of those parts defining

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(1) 43 Weekly Note Cases 336.

"total and permanent disability" has also been the centre of many legal controversies. The courts have attempted to render decisions based upon the practical results brought out in each case. While the organizations have endeavored to make their definitions specific, in many cases they have failed utterly and consequently the courts have been forced to interpret each case according to the spirit of the law, the effect such disability may have upon the efficiency of the service required of the disabled employee, and the relation of the union laws to the state insurance laws. In the case of Fuller v. Brotherhood of Locomotive Engineers' Benefit Association (1) the courts of Michigan held that loss by amputation of a part of the plaintiff's foot did not constitute total disability and that the loss of one eye, in the case of Eighmy v. Brotherhood of Railroad Trainmen, (2) the Illinois courts held, did not come within the Brotherhood's definition.

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(1) 81 North Western Reporter, 326 (1899).

(2) 83 North Western Reporter, 1051 (1900).

But in case of Lillie v. Trainmen[1] the courts held that the Brotherhood was liable as soon as the eye-sight of the plaintiff became so impaired as to prevent him from distinguishing signals or colors at reasonable distances, and thereby incapacitated him from performing efficient public service. Also in Firemen[2] v. Orrell the courts held that a person having power to use his hands at labor for a brief time only and not sufficiently long to earn a living is "totally incapacitated from performing manual labor" within the meaning of a benefit certificate. In each of these cases the courts were called upon to define the term "total or permanent disability" and without hesitation made capacity for performing efficient service the basis of their decisions.

Suspension of members from the rights and privileges of the beneficiary departments, also, has given rise to civil proceedings. The majority of unions provide that any member failing or refusing to pay dues or assessments, as required by the constitutions, shall stand suspended or expelled from the organization. Consequently the courts have

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(1) 86 North Western Reporter, 279 (1901).

(2) 206 Illinois 208, (1903).

been forced to decide what constitutes legal suspension or expulsion, or when a member has forfeited his claims to the benefits of his organization. In the case of Tourville v. Brotherhood of Locomotive Firemen (1) the courts held that no expulsion will hold unless the records of the organization show a record of it. In this case the plaintiff brought suit to recover insurance on the death of her husband. The City Courts of St. Louis granted the plaintiff judgment and on appeal the appellate court affirmed the verdict. In the decision the court ruled on five counts against the defendant Brotherhood. In the first place it held that the "suspension of a member in a beneficiary association must be made on the books of the association as a matter of record, when required by its by-laws, if it is intended to forfeit a member's rights as a member. Where there is no proof of an assessment, of notice to pay the same, or of a legal suspension, there can be no legal expulsion for non-payment of dues and assessments." Secondly, "Where a beneficiary association sets up a defense to a suit by the widow of a deceased member, that he was not in

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(1) 54 Illinois Appeals 71, (1894).

good standing in his lodge, had been suspended and expelled the burden is upon it to show such defense by the records, and that such action in suspending and expelling was in accordance with the laws of the order." Thirdly, "Before a default can be alleged in payment of an assessment by a beneficiary association, there must be proof of a legal assessment made by the association." Fourthly, "If the laws of such an association require notice to be given members of an assessment, a beneficiary cannot be defeated in a suit to recover on a certificate of insurance, for failure to pay an assessment, without proof such a notice was given." Lastly, "In absence of proof by a beneficiary association that an assessment has been made according to the by-laws, proof of a tender of the amount of the assessment is unnecessary."

The legal status of appeals from decisions of officials is another phase of administration that has frequently come before the courts. The principal points herein involved have arisen from the attempts of union officials to apply to the letter certain prescribed forms of procedure. The courts have, therefore, held that appeals are not debarred by an error in procedure on the part of the union or its agent, that they need not be made through any

certain channel, and that they are not an absolute necessity. The unions, contrary to this view, have prescribed methods of procedure in all cases of appeals from one administrative body to another. The efforts to enforce such laws have occasioned some important test cases. In the case of Brotherhood of Railroad Trainmen v. Newton the appellant's legal agent, a subordinate lodge, deferred action upon the appellee's claim until it was too late for the case to be heard, an appeal taken, and suit begun within the time prescribed by the appellant's constitution. The Illinois Court of Appeals held that under these conditions a strained interpretation will be resorted to if necessary to avoid barring a legal claimant from action.(1) The subordinate lodge erred in postponing consideration of the claim and hence the claimant could not be compelled to conform to the prescribed form of collecting his claim.

In the second place appeals need not be through any prescribed channel. The precedent for this is Lillie v. Brotherhood of Railroad Trainmen.(2) The plaintiff in this

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(1) 79 Illinois Appeals 500, (1898).
(2) 86 North Western Reporter 279,(1901).

case had been discharged by his employer for incompetency on account of impairment of eye-sight. The defendant rejected a claim for disability and the plaintiff appealed directly to the grand lodge instead of first to the grand executive board as prescribed by the constitution of the Brotherhood. The courts held that since the member had appealed to an authority of the organization whose decision was not considered final by its constitution, he was not deprived of his right to sue at law, and hence the channel of appeals as laid down by the union was disregarded and the plaintiff given judgment.

Lastly the claimant cannot be compelled to appeal to any authority whatever as named by the organization, but may bring suit immediately on rejection of his claim by the beneficiary board. In Randolph v. Brotherhood of Railroad Trainmen (1) the plaintiff brought suit to recover a total disability claim. The Circuit Court of Illinois gave judgment and both the Court of Appeals and the Supreme Court affirmed it. The Brotherhood held that the suit was premature since the appeal was not made first from the

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(1) 84 Illinois Appeals 220, (1900); 57 North Eastern Reporter 882, (1900).

decision of the beneficiary board. The Supreme Court denied this and held that "a clause in the constitution of a beneficiary association providing for appeals from decisions of officers of the order rejecting a claim is permissive only, and the claimant is not bound to appeal to the superior officers before bringing suit in the law courts." Also in Brotherhood of Locomotive Firemen v. Orrell the courts held that the claimant may have immediate recourse to the courts.(1)

The powers of boards of directors have also been a subject of consideration on the part of the courts. Many unions provide that, in the settlement of claims, the decisions of the boards of directors or trustees, or the beneficiary board shall be final.

But the courts have decided that this may or may not be true. The cases in which the courts have sustained the unions are Rood v. Railway Passenger and Freight Conductor's Mutual Aid and Benefit Association, Eighmy v. Brotherhood of Railroad Trainmen, and Pool v. Brotherhood of Railroad Trainmen. In the first case the board of directors, vested with plenary power in settlement of death claims, refused payment on ground that the deceased

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(1) 206 Illinois 208, (1903).

was sixty day in arrears at time of his death. The plaintiff brought suit in a circuit court of Illinois, and on motion to arrest action the Federal Court held that no suit could stand after the board refused payment.[1] In Eighmy v. Brotherhood of Railroad Trainmen, the plaintiff sued for permanent disability on account of the loss of one eye. The courts held that where a certificate names certain specific injuries as constituting total disability and provides that all others shall be referred to certain officers to determine whether or not the disability totally incapacitates the member, the decision of such officers shall be final.[2] In a later case, Pool v. Brotherhood of Railroad Trainmen, the courts held that is was wholly within the power of the board to grant or refuse the claim.[3]

On the other hand the courts have held that decisions of boards of directors or trustees need not necessarily be final. Some of the cases covering this point are Railway, Passenger and Freight Conductors' Mutual Aid and Benefit

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(1) 31 Federal Reporter 62, (1887).
(2) 83 N. W. Reporter 1051, (1900).
(3) 77 Pacific Reporter 661, (1904).

Association v. Robinson, 1893; Ibid. V. Loomis, ( ); Ibid. v. Tucker, 1895; and Brotherhood of Locomotive Firemen v. Orrell, 1903. In the Robinson case the courts dissented from the opinion in the Rood case and held that, although the constitution of a benefit association specifies that the board of directors shall have final authority in settling all disputes, the provisions do not apply to death benefits so as to make the action of the board a bar to a suit at law.(1) In a previous case, Railway Passenger and Freight Conductors' Mutual Aid and Bebefit Association v. Robinson, Executor, 1890, in which the board rejected the claim on the ground that the deceased had pulmonary disease when he entered the Association, the courts held that three was a mutually binding contract and that the deceased had paid a valuable consideration.(2) The same doctrine has been affirmed in later decisions.(3)

In general the courts have carried out the insurance laws to the letter except where the decisions of union officials have been diametrically opposed to the members'in-

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(1) 147 Illinois 138, (1893).
(2) 38 Illinois Appeals 111, (1890).
(3) 43 Illinois Appeals 599, ( ). Railway Passenger & Freight Conductors' Mutual Aid & Benevolent Association v. Loomis. 157 Illinois 192, (1895). Ib. v. Tucker. 206 Illinois 208,(1903),Brotherhood of Railway Firemen v.Orrell.

terests. The Pool case, 1904, best illustrates the efforts of the courts to enforce union laws. In this case the Plaintiff sued for disability claim under the section of the constitution which provides that all claims, not coming under the term "total or permanent disability" as defined in the constitution, shall be addressed to the systematic benevolence of the Brotherhood, shall be left to the discretion of the executive board, and shall not be made the basis of legal liability on the part of the Brotherhood. However the courts have not failed to protect the insured to the greatest degree possible, and have done much to apply the laws with justice and precision. This principle has been demonstrated very forcibly in two recent cases, Brotherhood of Locomotive Firemen v. Orrell and Taylor v. Order of Railway Conductors. In the former case the appellee had been awarded a disability benefit by a circuit court of Illinois. The appellate court affirmed the verdict of the lower court and granted the appellee the full amount of the benefit with interest from date of refusal of payment to date of final settlement.(1)

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(1) 109 Illinois Appeals 422, (1903).

In Taylor v. Order of Railway Conductors, the question was over the legality of service of summons and complaint. The defendants had refused payment of the plaintiff's claim and on instituting suit the plaintiff served summons and complaint on one Kelly, an associate of the defendant Order - since the defendant had no office within the state in which the suit was brought. The defendant moved to set aside the service on the ground of irregularity, but the courts refused the motion. The supreme court in sustaining the lower court said: "Where a fraternal association has for one of its purposes the insurance of its members in this state (Minnesota), but has no president, officers or agent therein, the provisions of law relating to service of summons upon corporations are not exclusive, but service in such cases may also be made upon any one of the associates within the state at the time, under provisions of section 5177, general statutes, 1894."(1)

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(1) 94 N. W. Reporter 684, (1903).

PUBLISHED LOT 30

Vita.

James Boyd Kennedy was born in York County, South Carolina, September 6, 1874. He received his primary and high school preparation in the public schools of Yorkville, South Carolina. In the fall of 1888 he entered Erskine College, from which institution he received the degree of A.B. in June, 1892, and the degree of A.M. in 1905. He taught several years in the public schools of South Carolina and Alabama as principal of the high schools of Lowryville, South Carolina, and Oak Hill, Alabama, and the Graded Schools of Yorkville. During 1900-03, he was instructor in Erskine College. He entered the Johns Hopkins University in October, 1903, where he has pursued graduate studies in Political Economy, History, and Political Science. During 1906-7 he held a University Scholarship and was student assistant in Political Economy.